



We connect for good

BT Group plc
Digital Impact and Sustainability Report 2021

The connections we make are helping solve the world's biggest challenges, such as cyber security, the global pandemic and climate change.

Our purpose is as simple as it is ambitious: **we connect for good**. There are no limits to what people can do when they connect. And as technology changes our world, connections are becoming even more important to everyday life.

Look out for these throughout the report:

- Reference to another document or another page in the report
- 📖 Reference to further reading online

Within this report references to the Annual Report, Appendix and BT policies and standards are hyperlinked. These can be found at the following locations:

- 📖 Annual Report: [bt.com/annualreport](https://www.bt.com/annualreport)
- 📖 Appendix: [bt.com/sustainabilityreport](https://www.bt.com/sustainabilityreport)
- 📖 Policies and standards: [bt.com/ourpolicies](https://www.bt.com/ourpolicies)



- 📖 Visit our online annual review and see how we're connecting for good.

[bt.com/annualreview](https://www.bt.com/annualreview)



We connect for good by:

9 Building better digital lives

19 Championing responsible tech & human rights

24 Tackling climate change and environmental challenges

34 Being transparent and accountable

Message from our Chairman and Chief Executive

Over the past year, we've witnessed major upheaval as the world battled to keep the Covid-19 pandemic at bay. Working and learning from home fast became the new normal for millions of people across the UK, and virtual contact became a lifeline for vulnerable people facing prolonged isolation.

Never before has connectivity been so integral to so much of our lives. Our BT colleagues have worked tirelessly to keep people connected throughout the Covid-19 crisis and many have been given key worker status. We want to take this opportunity to thank each and every one of them for their hard work and dedication.

Colleagues across the business will help us deliver our ambition to be the world's most trusted connector of people, devices and machines by 2030, and we've set a clear strategy to get there.

Our commitment to digital impact and sustainability (DI&S) is intrinsic to this strategy and to BT's purpose: we connect for good. During the last year, we've underlined the strategic role of DI&S in delivering future growth by linking some of our annual bonus to goals on digital skills and carbon reduction.



Jan du Plessis
Chairman

Despite the challenges posed by the pandemic, BT did not stand still. We've continued to invest in high-speed networks to connect the UK to the future – and to equip more people with the skills they need to get the most out of the digital world.

Our Skills for Tomorrow programme offers free training and resources for anyone who wants to improve their digital skills. Children, teachers, families, vulnerable people, jobseekers and small business owners are among the more than 10m people we've reached since 2014/15.

Increased demand for digital skills during lockdowns – and our push to offer even wider support with initiatives like Top Tips on Tech – has enabled us to meet our 10m goal five years early. However, we're not stopping there; we aim to increase our reach to 25m people, with help to improve their digital skills by the end of March 2026.

We're determined to help the country build back better after Covid-19, and we're driving progress on the road to net zero for our business and for the UK. Our operations are now powered by 100% renewable electricity.



Philip Jansen
Chief Executive

We're championing calls to put in place the infrastructure needed to make all-electric fleets a reality. This year, we launched the UK Electric Fleets Coalition with The Climate Group, and 29 organisations have joined so far with a combined fleet of half a million vehicles, helping drive the EV fleet debate in the UK. Carbon-reducing solutions contributed towards around 25% of our revenues this year and we're fostering further innovation to help customers cut their carbon footprint. This shows continued evidence of BT leading from the front on climate.

As we look to the future, we remain fully committed to supporting the UN's Global Compact and Sustainable Development Goals. Our new responsible tech principles will guide us to consistently develop, use, buy and sell technology in a way that benefits people and minimises harms as we connect for good.

With a legacy of innovation, a leading stance on sustainability and an influential position for good, BT is leading the way to a bright, sustainable future.



Leena Nair
Chair of the Digital Impact & Sustainability Committee

It's great to see BT's new strategy and purpose putting digital impact and sustainability at the heart of everything the business does, and linking annual bonuses to progress in this area. During what has been a difficult year for so many, it's been encouraging to see BT step up to the challenge to help our colleagues, our communities, the country and the economy. Meeting its goal to reach 10m people with digital skills support five years early is a testament to the company's genuine commitment in this space.

Our strategy

We connect for good.

Our strategic framework

Purpose
Why we exist
We connect for good

2030 Ambition
Who we must become
To be the world's most trusted connector of people, devices and machines

Values
What will guide us
Personal, simple, brilliant

Strategy
How we'll grow value for all our stakeholders

Our 2030 ambition is to be the world's most trusted connector of people, devices and machines. We'll get there by building the strongest foundations, creating standout customer experiences and leading the way to a bright, sustainable future.

That's how we'll grow and deliver value for all our stakeholders.

1

Build the strongest foundations

Our ambition is only as strong as the foundations we're built on. That's why we'll continue to strengthen them by building:

- **the best converged networks** – we're investing in fibre, 5G, edge and core, and extended access so our customers can do more
- **a simpler, more dynamic BT** – we'll simplify our processes and products, and modernise our technology to become more efficient so we're easier to deal with and work for
- **a culture where people can be their best** – we'll give colleagues the opportunity to learn and grow, offer clear career paths to attract and hang on to the best diverse talent, keep people safe and well, and make BT a brilliant place to work.

2

Create standout customer experiences

We'll relentlessly focus on creating standout customer experiences by connecting more people and moving from products to tailored solutions our customers can rely on.

We'll put our customers' needs first, act with transparency, and protect their security, data and preferences. And we'll strive to catch any issues before they impact customers to create a flawless experience.

3

Lead the way to a bright, sustainable future

We want to be a trusted partner and build deeper connections with our stakeholders. We aim to be a responsible and sustainable business leader by bringing value to all of our stakeholders and delivering returns to our investors over the long term.

We'll incubate tech-driven growth engines that support great outcomes for our customers, country and company now and in the future. And we'll be a visible leader in creating solutions to shared challenges. That's where our DI&S strategy comes in.

Being a responsible business underpins all three pillars of our strategic framework. We report progress on each pillar in our Annual Report, which includes an overview of DI&S, as well as in-depth content on other material topics such as network rollout and customer experience performance.

📖 See our [Annual Report 2021](#) for more on the progress of pillars 1 and 2.

Andy Wales

Director of Digital Impact & Sustainability



Leading the way to a bright, sustainable future is a key pillar of our Group strategy and why our digital impact and sustainability work plays such a crucial role for BT. We're taking a leadership position on climate change, the digital skills divide, and responsible tech and human rights – all while supporting future growth.

Our progress

1 Build the strongest foundations

- Nearly 10% of our UK colleagues¹ declared they are from a Black, Asian or minority ethnic background.
- This year, we increased our focus on race equality, particularly around addressing issues of systemic racism and instances of prejudice across our business.
- We launched our Ethnicity Rapid Action Plan, and made significant progress in the areas where we could make the biggest immediate differences.
- We're proud to be Lifetime Visionary Partners of Race Equality Matters.

¹ Includes colleagues who had not disclosed, or had responded 'prefer not to say' in respect of their ethnicity pursuant to our self-declaration campaign.

📖 See our [Annual Report 2021](#) for more details on diversity and inclusion.

2 Create standout customer experiences

- Our customer care teams receive specific training to support our 1.4m vulnerable customers.
- Our national network of Home Tech Experts are specially trained on a wide range of issues, including helping vulnerable customers and where access to technology is needed.
- We also offer a range of information and advice, for example through our Including You website which is specifically designed for those with additional needs.
- We also supported vulnerable customers throughout the pandemic (see [page 7](#) of this report).

📖 See our [Including You website](#), our [DI&S business briefing](#) and our [Annual Report 2021](#) for more details.

3 Lead the way to a bright, sustainable future

Our DI&S strategy (see next page) focuses on where we can make the biggest difference to a bright, sustainable future.

- Over 10m people reached, with help to improve their digital skills.
 - 📖 See [page 9](#) for more on Building better digital lives.
- Strengthened human rights governance and due diligence processes.
 - 📖 See [page 19](#) for more on Championing responsible tech & human rights.
- 57% reduction in carbon intensity since 2016/17.
 - 📖 See [page 24](#) for more on Tackling climate change & environmental challenges.

Delivering social and economic value

In 2020/21, we invested £18m of cash, time volunteered and other in-kind contributions in programmes designed to accelerate progress under our DI&S strategy. That's 0.63% of the previous year's adjusted profit before tax and we've invested an average of 0.89% over the last five years. This fell below our aim to invest 1% each year, primarily as a result of reduced levels of volunteering during the pandemic. We remain committed to the target.

The social value we deliver through our DI&S strategy complements the wider economic value our business creates. Our latest [Economic Impact Report](#) found that in 2019/20 we added £24bn in value to the UK economy and supported 300,000 jobs through direct employment, our spending with contractors and suppliers, and spending by our colleagues.



Our DI&S strategy

We're leading the way...

...to a bright, sustainable future for our stakeholders...

...and our business...

...while contributing to the UN's Global Goals...

...and the UK Government's ambitions

Building better digital lives

Our ambition:

Reach 25m people in the UK with help to improve their digital skills by end of March 2026

- We've reached 10.1m people in the UK with help to improve their digital skills since 2014/15
- Our **Top Tips on Tech** campaign alone reached 5.7m this year, and as part of our Skills for Tomorrow programme, helped us reach our 10m target five years early
- We've now extended that target; we aim to reach 25m people by end of March 2026

Building digital skills helps us:

- Grow by enabling more people to use and get more from our services
- Build and enhance our reputation with all stakeholders
- Develop the tech-savvy talent we need now and in the future
- Expand colleagues' horizons through volunteering



4.3 & 4.4



5b



9.1 & 9c

The UK Government's Digital Strategy includes giving everyone access to the digital skills they need

Championing responsible tech and human rights

Our ambition:

Develop, use, buy and sell technology in a way that benefits people and minimises harm

- Our new responsible tech strategy and principles aim to ensure we meet our ambition every time
- We're tackling big issues like modern slavery, privacy and free expression through partnerships like Tech Against Trafficking and the Global Network Initiative
- We check for **human rights risks** in our supply chain, mapping suppliers right down to tier 4 for branded products

Taking a responsible approach to tech helps us:

- Support commercial growth and innovation by differentiating existing solutions
- Take a lead in future growth areas like connected homes, smart cities, healthcare tech and security
- Build trust and protect our reputation as a responsible business
- Reassure stakeholders that we're using tech to connect for good



8.7



10.2



16.10

The UK Government is committed to world-leading online safety measures that support innovation and a thriving digital economy

Tackling climate change and environmental challenges

Our ambition:

Adopt a sector-leading approach to climate action, with a target to become a net zero carbon emissions business by 2045¹

- We're now using 100% renewable electricity worldwide²
- We've reduced the carbon intensity of our operations by **57%** and cut supplier emissions by 19% since 2016/17
- We aim to transition most of our **fleet to electric vehicles** by 2030 and drive wider action through advocacy and partnerships, like the UK Electric Fleets Coalition
- We're taking action to assess and mitigate climate risks to our operations

Leading efforts to tackle climate change helps us:

- Get ahead of demands for climate action from investors, customers and others
- Grow our business through existing and emerging carbon-reducing solutions
- Attract and retain people who want to work for a business that champions sustainability



12.5 & 12.7



13a

The UK Government's target is to achieve net zero emissions by 2050

¹ Scopes 1 and 2 plus supply chain greenhouse gases.

² 99.9% of the global electricity BT consumes is from renewable sources. The remaining 0.1% represents where markets don't allow due to non-availability of renewable electricity.

Supporting the nation through Covid-19

The past year has underlined just how critical the UK's digital infrastructure is to national life. Between lockdowns and social distancing, we're all living more and more of our lives online. With over 30m customers, BT has had a big hand in helping people stay safe, connected, working and learning throughout.

Keeping our colleagues safe

From network engineers to 999 operators and contact centre teams, thousands of our colleagues are designated essential workers. Over 50,000 key workers continued to work from BT buildings, shops or out in the field during the pandemic.

Our colleagues' safety is our first priority. We've put Covid-19 management measures in place to enable our operational, customer and field teams to keep working safely in line with UK Government guidelines and legislation. Colleagues can access Covid-19 guidance and support services through a wellbeing website that's regularly updated by our chief medical officer. Those who need to self-isolate stay on full pay.

At the start of the pandemic, we made a commitment to no job losses as a direct result of Covid-19 and placing no one on furlough. Shop-based BT and EE retail colleagues could not continue their normal roles in-store so we reassigned them to help keep customers connected.

Supporting the national effort

We've supported the Government throughout the crisis. We sent around 43m SMS alerts from Gov.uk asking people to stay at home. We boosted connectivity for NHS Trusts around the country. And we helped get temporary Nightingale hospitals and vaccination centres up and running.

At the Government's request, we provided limited anonymised network data, such as general mobility patterns to support national public health efforts (see [page 23](#)). We also stepped in with funding to assist the National Emergencies Trust's huge and complex effort to distribute essential relief across the UK.



Lord Dannatt
Chairman, National Emergencies Trust

Since we launched the National Emergencies Trust Coronavirus Appeal, we've been astonished and inspired by the response. With the generous support, like that from our friends at BT, we are able to continue to ensure our most vulnerable communities are cared for and supported.

Keeping people connected

Demand for our broadband and mobile services has surged. We've kept our networks running effectively throughout, monitoring performance around the clock. Our engineers are on standby if we need to increase capacity. And we work closely with over 700 critical suppliers to ensure we get what we need when we need it.

We've also upgraded network capacity for key NHS sites and enterprise customers, and expanded user support as companies made the shift to virtual working.

We've changed our charges and introduced free services to support people who are struggling to pay during the pandemic. We've lifted caps on home broadband plans so every customer has unlimited data and we've capped monthly call charges at £5 for landline-only customers. Connecting to the NHS Online and the NHS Covid-19 app don't count towards mobile data allowances. We've also provided over 3,000 NHS staff with free unlimited data on EE.

Our Life Lines project has enabled patients in intensive care units to see and speak to their loved ones through more than 65,000 virtual visits via video-enabled tablets in 180 NHS hospitals.

For more on how we're helping people stay safe and connected through the pandemic, see our [website](#).

Boosting online confidence

Lockdown has been particularly hard on young learners, older and vulnerable people, jobseekers and many small businesses. We're helping to improve their confidence through our Skills for Tomorrow programme.

We've taken our Barefoot lessons online to keep school kids learning at home and our Lockdown Learning support package offered connectivity for families, carers and children who need help to access the virtual classroom. We partnered with charities to offer free internet access and distribute 1,000 laptops to older people and vulnerable families. We ramped up support for jobseekers to help them stand out from the crowd. And our Small Business Support Scheme is helping small businesses boost their connectivity, cash flow and confidence.

See [page 10](#) for more on Skills for Tomorrow and how we're building better digital lives.



Our pandemic heroes recognised with MBEs

Everyone at BT has played a vital role in keeping people connected through the Covid-19 crisis. Eight colleagues were awarded MBEs in this year's Queen's Birthday Honours – for outstanding services to the NHS and telecommunications industry during the pandemic.

Lucy Baker
Enterprise service
technology director



Arranged rapid delivery of 4G-enabled tablets for ICU patients at Guy's and St Thomas' Hospital in London as part of the national Life Lines project to keep isolated patients connected with their families.

Pete Martin
Openreach field-based co-ordinator



Built a full fibre network in the Lincolnshire village of Sudbrook where residents were struggling to work from home due to slow speeds.

Karen Smith
Enterprise emergency
authority and government
relationship manager



Worked tirelessly with the Department of Health, Home Office, National Police Chiefs Council and 130 emergency control rooms to help process up to 108,000 emergency 999 calls a day.

Ian Hammond
Enterprise senior
manager, client services



Led a team that got Nightingale field hospitals around the UK connected in record time as Covid-19 cases surged in the spring.

Gemma Towers
Enterprise mobile
product specialist



Led delivery of over 1,000 app-loaded tablets to over 60% of UK intensive care units, letting patients see and speak to loved ones via video as part of the Life Lines project.

John Hayday
Security and business
continuity director



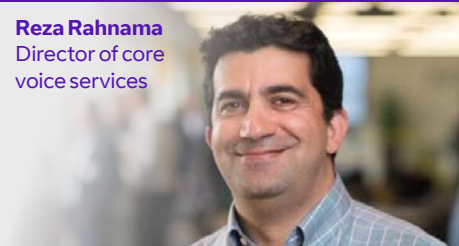
Prepared BT's emergency response team to respond to the pandemic, liaising with the Government on how we can help keep vital services running.

Scott McPartlin
Openreach network
engineer



Camped out on the remote Scottish island of Coll for three days to reconnect a vulnerable customer after a lightning strike.

Reza Rahnama
Director of core
voice services



Was honoured for services to the telecoms industry, describing the achievement as the result of a huge amount of teamwork.

Building better digital lives.

Marc Allera
CEO, Consumer



This year has shown how critical the internet is in helping everyone make the most of their lives. The connectivity that BT and EE networks provide has never been more important. Through our Skills for Tomorrow programme, we're also working hard to ensure everyone has the skills they need in their home and work lives to benefit from the opportunities that technology opens up. We remain absolutely committed to using our scale and reach to tackle the digital divide and support the UK's economic recovery.

We're helping millions of people make the most of life in the digital world. With tech as the enabler, people can stay connected, gain confidence and unlock their potential through our Skills for Tomorrow programme.

Our progress

Over 10m
people reached since 2014/15, including:

468,000
jobseekers reached through our Stand Out Skills campaign

Over 5.7m
people reached with help through our Top Tips on Tech campaign with ITV

278,000
small business owners and their employees directly engaged

Over 3m
teachers and schoolchildren reached with Barefoot lessons

10m goal
achieved five years early, and we've now extended that target to reach 25m people by end of March 2026

357,000
people reached through our online campaign supporting families

In this section

- | | | | |
|---------|--|---------|--|
| 10 | Helping people make the most of life | 15 | Getting jobseekers ready for work |
| 11 | Preparing children to succeed in a digital world | 16 | Supporting small businesses in the digital economy |
| 12 | Helping families build digital confidence | 17 | Boosting digital skills around the world |
| 13 | Tackling the digital divide | 18 | Partnering with charities |

Helping people make the most of life

More and more of our home and work lives are spent online. Covid-19 has accelerated this trend and, for many, it's become the new normal. Over half (53%¹) of Brits are using tech more often and in different aspects of their lives.

Building tech confidence is more critical than ever and we're here to help. We build, own and operate the UK's largest fixed and mobile networks, which support the country's digital ambitions. We connect families to each other, businesses to their customers and individuals to their potential.

We're using our reach, partnerships and tech knowhow to help everyone gain the skills and confidence they need to make the most of life in a digital world – and create opportunities to grow our business at the same time.

Sharing Skills for Tomorrow

[Our Skills for Tomorrow \(SfT\) programme is for everyone. It offers access to free advice, training and support to help people make the most of life in the digital world at home and at work.](#)

We create learning resources and partner with leading UK digital skills organisations to help us get the best advice and information out there to those who need it most. There's specific help for children, parents, teachers, small businesses, jobseekers and those without basic digital skills.

The pandemic put face-to-face training on hold this year. There was a growing need for virtual support to help the nation through successive lockdowns. And our digital first approach meant we were able to respond rapidly.

We launched over 400 new online resources – from homeschooling activities to business skills webinars, training for jobseekers and guides on how to access essential services online. Uptake has soared and so has our positive impact.

We've also reached out to more vulnerable and older people this year to tackle isolation. Meanwhile, our Small Business Support Scheme (bt.com/smallbusinesssupport), is helping small businesses boost connectivity, cash flow and confidence, and has provided free digital skills training to thousands. And over 5.7m people learnt something new from our Top Tips on Tech (bt.com/tech-tips) campaign (see [page 14](#)).

Creating positive impact for the UK, the world and our business

This year, in addition to our Top Tips on Tech campaign, we reached 1.5m more people across the country through our SfT programmes with help to improve their digital skills as we stepped up our efforts to meet increased needs during Covid-19. We've reached more than 10m people since 2014/15, meeting our target five years early. And we're not stopping there. We're now extending this to reach 25m by the end of March 2026.

We've also expanded our programmes outside the UK to meet the pressing global need for online learning and digital skills.

We're working with external experts to measure the positive impact we have on the people we reach – using a model based on reach, quality, impact and value. We include impact data in this report where we can.

Bridging the digital divide is good for the UK – it enriches lives, and it enriches the economy. Every £1 invested in essential digital skills returns an estimated £14.80 in economic value². And it's good for the world, playing an important role in supporting the UN Sustainable Development Goals (see [Appendix](#)).

It's also good for our business. Building digital skills means more people are able to use our products and services, and make the most of our networks, opening the door to new growth opportunities for us. Campaigns like Top Tips on Tech are strengthening our reputation and customer relationships. Colleagues who get involved learn from their volunteering experience and bring fresh thinking to the business. And creating a tech-savvy workforce for the country develops the talent we need for the future.

Shaping the digital future

We're supporting wider efforts to bridge the digital divide through insights from our research – highlighted in relevant parts of this report – and industry coalitions like FutureDotNow (futuresdotnow.uk).

This year, we provided expert input to the UK Government through the Department for Digital, Culture, Media and Sport (DCMS) digital inclusion group and the All-Party Parliamentary Group on Digital Skills. We called on the Government to make connectivity and tech skills central to the nation's economic recovery. We're also part of the DCMS Digital Skills Partnership Board.



Liz Williams MBE,
Chief executive,
FutureDotNow

FutureDotNow is a business coalition coordinating industry action to accelerate the workplace essential digital skills of working-age adults across the UK. BT, as a founding partner and board member, benefits the coalition through its recognition of the importance of workplace digital skills and sharing its expertise.

¹ Research by Opinion Matters on behalf of BT based on nationally representative sample of 2,000 adults.

² Data from the Centre for Economics and Business Research.

Preparing children to succeed in a digital world

We're helping to equip children for a digital world so they can reach their potential. Our Barefoot Computing programme, in partnership with Computing at School (CAS, part of BCS – the Chartered Institute for IT), makes computational thinking skills fun and relatable. It's reached more than 3m children and teachers since 2014/15.

Help for homeschooling

Originally designed to help teachers deliver the computing curriculum, we rapidly reinvented the Barefoot programme to help keep kids learning through Covid-19 lockdowns.

Our research found that around half of parents had less than three hours a day for homeschooling and just 24% felt comfortable teaching IT and computer science. We created over 50 curriculum-based homeschool activities this year to help them.

New resources include interactive online learning games, activities for families to do together and live streamed lessons. Quick and easy mini missions introduce concepts like algorithms, patterns and abstraction through fun household challenges – from creating a recipe to arranging leaves or painting abstract art. The online games alone have been played over 170,000 times.

We've also extended Barefoot to younger children. New lessons give four and five-year-olds a head start in computational thinking through fun activities like using movement to bring algorithms to life.

Many Barefoot materials featured on the popular BBC Bitesize learning at home website. The Government's Great Inspirations campaign also included Barefoot in a showcase of UK organisations that have done extraordinary things during the Covid-19 pandemic.

Barefoot's home learning impact



Sally House,
parent of
eight-year-old Alice

Alice played Code Cracking, The Diamond, Barefoot Zoo and Sorting It Out. She enjoyed the games and I love that she's practising Maths skills in a fun and different way and not realising she's actually doing Maths!

Supporting teachers

The majority of UK primary schools now use Barefoot – for classroom or virtual lessons. This year, teachers downloaded Barefoot lessons over 46,000 times and home learning activities were downloaded over 57,000 times.

We adapted our support for teachers in response to the pandemic. Face-to-face training workshops became webinars, delivered by teacher ambassadors and over 90 BT volunteers. They reached more than 2,500 teachers across the country and more than 6,000 additional teachers registered with us. We've also released a series of live and recorded lessons by CAS teachers for use at home.

Since Barefoot was first established, computing has become more embedded in the primary education curriculum and the National Centre for Computing Education is helping to provide training and resources for teachers. With a strong network of teachers, we're handing over management of the Barefoot programme to Computing at School, who will continue to develop ambitious plans to meet the needs of primary school teachers and their students. We'll continue to support the programme as well as focusing on helping children learn and explore safely online through our support for families.

Sports day goes virtual

School sports days went virtual this year with our Digital Dash app. Seven to 10-year-olds used logical reasoning, algorithms and problem-solving skills to create, personalise and train their own avatar sprinter.

Thousands downloaded the app from our Skills for Tomorrow portal. Presenter Reggie Yates and Olympic gold medallist Dame Kelly Holmes hosted the [final](#). Six finalists raced their avatars in a 100 metres sprint to win £10,000 of tech equipment for their school.



[Watch the video here](#)

Barefoot Bytes back to school blues

Children across the UK returned to school for the 2020 autumn term not just after the summer holidays, but after months of homeschooling. Barefoot Bytes (barefootcomputing.org/barefootbytes) helped them ease back in and reconnect with classmates through bite-sized joint activities using computational thinking – from class gratitude trees to friendship bracelets and rainbow-inspired garden designs. We also created an algorithm for handwashing.

Barefoot Hand washing algorithm



Helping families build digital confidence

We're there for families as they deal with rapid technology change and the shift to lockdown life online. Our goal is to boost parents' tech confidence and knowledge, and to help kids stay safe, happy and learning online.

Footballing legend Rio Ferdinand headlined our support for families this year with our [Let's Talk About](#) video and guide that reached over 357,000 parents. Our Top Tips on Tech campaign (see [page 14](#)) also included advice about online family time and exploring the internet safely.

Staying safe and well online

Digital tech was essential for children to continue learning through lockdown. But with children spending more time online than ever before, parents were worried about how to keep their kids safe online and balance screen time. Our research found that on average parents worried five times a day about online activity and screen time. And 61% of parents were concerned about the safety and security of their children online.

EE launched a new Set Up Safe service to help ease these anxieties. It enables parents to set spending limits on their children's smartphones, add locks to prevent access to adult content, and block calls and texts to premium numbers.



We are founding members of Internet Matters ([internetmatters.org](#)), one of the UK's leading child online safety organisations. It's supported by all three of our consumer brands – BT, EE and Plusnet. Families can access their expert advice on our Skills for Tomorrow portal, including guidance on how to raise sensitive subjects like sexting and self-harm.

Parents also told us they needed help giving their kids a balanced online experience. We created interactive guides on topics like digital wellbeing, managing online pressures and understanding the role of online influencers.

We're also empowering children to protect themselves online. On Safer Internet Day, we launched an interactive online game to teach children about cyber security and phishing, as well as a board game based on snakes and ladders.

Working with the National Crime Agency, we developed classroom and home lessons on being cyber smart this year. Launching in April 2021, the lessons will help students learn about online ownership, password security, cyber laws and how to protect themselves from phishing attacks.

We're also helping to protect children from online harm as a result of illegal activity (see [page 23](#)).

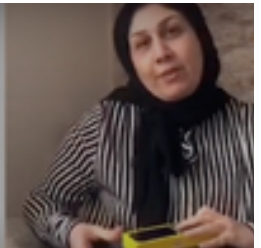
Leaving no families behind

School closures threatened to widen the gap between rich and poor as home computers and internet connections became essential to keep up with schoolwork. We stepped up with free connectivity to help disadvantaged children keep learning at home.

In 2020, we teamed up with the Department for Education and charities working with vulnerable young people to make free wi-fi available to families in need. We also offered 1,000 tablets to vulnerable families and individuals (see [page 13](#)).

When schools closed again at the start of 2021, we introduced our Lockdown Learning support package – a free support scheme for families, carers and children who need help the most. The scheme provides those most in need with unlimited mobile data, BT Wi-Fi vouchers and free mobile access to BBC Bitesize and Oak National Academy educational content without using up their data allowance. With support pledged until July 2021, it helps children continue learning online, and stay connected to their teachers, classmates and schoolwork.

Firoozeh Salimi
mother of two



I am very happy. Now my children can learn.

Firoozeh's comment, on receiving a free tablet and wi-fi through the DevicesDotNow campaign that we support with our partner Good Things Foundation.

Tackling the digital divide

Digital tech can be a lifeline – more so than ever with Covid-19 restrictions on human contact. But many are missing out. Around 3.6m people living in the UK are almost completely offline and around 11.7m lack the basic tech skills essential to everyday life¹. We're helping those most in need get connected and build confidence in being online.

Supporting vulnerable and older people

We've donated 1,000 SIM-enabled tablets to older and vulnerable people through DevicesDotNow, a campaign run by FutureDotNow and Good Things Foundation. We provided 400 internet-ready EE mobiles to the charity Crisis to support homeless people through the pandemic. And we're providing unlimited data to vulnerable mobile customers. Our social tariff – BT Basic – offers an affordable connection to people on certain government benefits, and we plan to refresh and relaunch it during our next financial year, to support more people.

Through our partnership with Good Things Foundation, we supported local online centres providing personalised support and training to people who lack basic digital skills. This year, we provided funding to help around 80 centres, helping them adapt their services to offer remote support to vulnerable people through the Covid-19 lockdowns. We also encouraged colleagues from our stores and contact centres to volunteer at their local online centre. Together, we've helped more than 4,900 people build their skills and confidence this year.

In October, we promoted Get Online Week, a campaign from the Good Things Foundation with messages on the BT Tower in London, our digital billboards in over 500 high streets and screens in our retail stores. Our colleagues got behind the campaign by pledging to help someone they know or love to build confidence with their digital skills.

Openreach also teamed up with the charity We Are Digital to train over 250 social housing residents on tech skills to help them through the pandemic – from booking a GP appointment to ordering groceries online.

Older people, many of whom can be vulnerable or more isolated, often lack the tech skills, confidence or motivation to get online. We polled 1,000 people who have a close relative over 70 and nearly half said it would be life-changing if their relative knew how to order their own groceries online. While many older people have been reluctant to try and learn new tech skills, 38% of those polled said they thought recent events had made their relative more open to this, but they didn't know where to start.

With face-to-face learning limited this year, we used television to reach out to people who aren't online. Our Top Tips on Tech campaign with ITV (see [page 14](#)) offered practical advice on how to connect with loved ones and access vital services online.

Volunteers at our BT, EE and Plusnet contact centres reached out to isolated residents in care homes by pairing up with a companion and calling to chat to them regularly.

We also sought to combat lockdown loneliness through our Plus One ([bt.com/plusone](#)) campaign in the run-up to Christmas. The idea was simple, encouraging people to reach out virtually to someone in their life that they had lost touch with. BT leaders and colleagues led the way, alongside celebrities like Rio Ferdinand who reconnected with his favourite dinner lady at Manchester United Football Club.

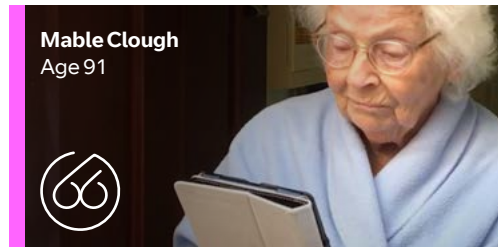
Going forward we will focus on supporting older and vulnerable people to develop their digital confidence through our customer propositions, working with Good Things Foundation as strategic advisers.

Taking an inclusive approach

We serve nearly 1.4m customers who are vulnerable or have additional needs. Our Customer Inclusion Panel – including experts from Age UK, Mind and RNIB – helps us understand these needs and make our products and services as accessible as possible for all.

Our Customer Care teams receive specific training to support vulnerable customers who call our contact centres and our home tech experts make in-person visits to set up devices. We also offer free priority fault repair to people with a disability or chronic illness.

Our Including You ([bt.com/includingyou](#)) website offers a one-stop-shop of accessibility products and advice. And we're in our tenth year as sponsors of the Tech4Good awards, showcasing innovative accessible products (see box).



I do get a little bit down sometimes. But just being able to talk to my family has helped a great deal. To be able to talk to and see them – it's like a miracle to me.

Mable used the internet for the first time this year. She got a free tablet and wi-fi connection through our partnership with the Good Things Foundation to connect with loved ones as she stayed safe at home.

 [Watch the video here](#)

¹ Lloyds Bank UK Consumer Digital Index 2020.

Schoolgirls' invention to dim dyslexia

Seeing fellow classmates struggle with online learning during lockdown inspired a team of London schoolgirls to come up with a solution. Dimming Dyslexia, their prototype app, converts written text into friendlier formats like cartoons and larger font sizes for dyslexic students.

The idea topped over 160 entries to win our BT Young Pioneer Award at this year's Tech4Good awards. Now we're helping the team develop their idea with the British Dyslexia Association. Last year's winner is already working with the Royal National Institute of Blind People to bring her smart walking stick invention to market.



Watch the video [here](#)

Top Tips on Tech reaches millions during lockdown

Covid-19 hit the UK in March 2020 and we suddenly found ourselves in lockdown. Overnight, the nation had to learn how to stay connected to life, work and school without leaving home. It was a worrying and uncertain time – especially for the less tech savvy among us.

We joined forces with ITV to help people gain confidence fast. For three weeks in April and May 2020, we took over full ad breaks during This Morning and the ITV Evening News to share Top Tips on Tech. We enlisted well-known television and sport personalities to present simple how-to advice from their homes to viewers.

Sports presenter Clare Balding kicked off the series with a spot on how to use WhatsApp to stay in touch with friends and family. Comedian David Walliams showed parents where to find much-needed support with homeschooling, while hosts Marvin and Rochelle chipped in with tips to keep kids safe online. And England football manager Gareth Southgate – and some of his star players – shared their favourite apps to keep fit at home.

¹ This research carried out by Ipsos MORI used a nationally representative sample and was independently verified by social impact research agency Chrysalis Research.

We picked what to cover by checking search engines to see what tech questions people most wanted help with. Other tips included working from home productively, taking a business online and protecting it, and staying connected with culture virtually. Simple downloadable guides are available on each topic at bt.com/tech-tips.

The 12 bite-sized lessons had a lasting impact on many viewers. More than 5.7m people learnt something new and 2.1m have been continuing to put the knowledge they learnt into practice¹.



Gareth Southgate,
England football manager

BT's Top Tips on Tech campaign is a good idea for everybody, and actively helping during this period.



Getting jobseekers ready for work

Unemployment is rising as the UK economy faces the sharpest contraction in modern history. Competition for jobs is growing and 82%¹ of vacancies require digital skills. We're helping jobseekers of all ages and backgrounds get the skills and confidence they need to land the job they want – and stand out from the crowd (see box).

Over 3,400 18 to 24-year-olds have completed our Work Ready training programme since 2014 and more than half have gone on to further education, apprenticeships or jobs. This year, we transformed the programme to support jobseekers of all ages and took the usual face-to-face training online to overcome Covid-19 restrictions and bring benefit to a larger number of jobseekers.

In addition to those who attended our Work Ready training programme, over 2,800 people attended live webinars on subjects like how to write a great CV, interview well, and stand out throughout the application and selection process. More than 600 have viewed our webinars with expert partners LinkedIn Learning and Apprentice Nation. Over 850 people joined introductory skills webinars that we ran in partnership with Jobcentre Plus to help them keep up with the surge in demand from new jobseekers (see quote).



Elaine Townshend
Department for Work and Pensions on Jobcentre Plus

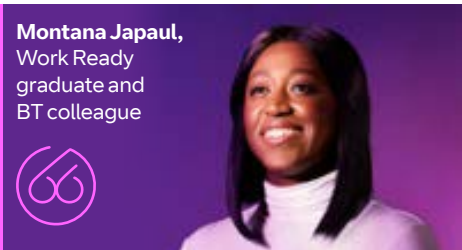
I would like to thank BT Work Ready for developing and delivering this bespoke webinar for the Department for Work and Pensions. A huge void was created during Covid-19 restrictions and our customers were missing out on mentoring and jobseeker skills. Over 850 claimants have now participated in 30 districts and the feedback continues to be really positive.

Reaching more young people

Young people are particularly in need of support with over 14% of 16 to 24 year-olds out of work².

Hosted by celebrities like football presenter and Hashtag United CEO Spencer Owen, our [Work Ready Live](#) streaming event for young jobseekers has had over 17,800 views since August 2020.

We also joined other leading UK employers to launch the groundbreaking FastFutures programme, run by Avado learning. Together, we're providing 18 to 24-year-olds from diverse backgrounds with three months of digital and personal skills training to help them get started in a tough jobs market. BT colleagues mentored 344 of the 2,100 young people in the first two cohorts and held mock interviews with 183 of them (see quote).



Montana Japaul,
Work Ready graduate and BT colleague



The placement gives valuable skills to learn and take on, whatever job you go on to do. It helped me learn to stand out – you want to shine! It really boosted my confidence, I wasn't scared to approach people, I just felt comfortable. I connected with lots of people and that led me to getting my current job at BT. Work Ready gave me confidence to try something new.



Krista Wald,
BT colleague and FastFutures mentor

The opportunity to participate in the FastFutures mentoring programme was a true highlight for me! The mentees brought incredible enthusiasm, a willingness to learn and a desire to gain as much experience through the BT team as possible. It is an amazing programme and a wonderful chance to pay it forward and share digital skills across a community of brilliant candidates.



Standing out from the crowd

Our research found that by the beginning of 2021, jobseekers had applied unsuccessfully for 14 roles on average during the pandemic year. Four in five of the 2,000 we surveyed said the job search had affected their mental wellbeing. And just 22% were confident their CV and covering letter would stand out from others.

Through our Stand Out Skills campaign (bt.com/standoutskills), we provided daily support for jobseekers to help them develop their confidence and enable their skills to stand out at every step of their job search. The campaign reached more than 468,000 people.

Presenter Anita Rani, comedian Iain Stirling and drag queen Divina De Campo fronted the 28-day campaign in January and February 2021. It included expert tips, videos, vlogs and webinars on how to shine at every stage of the job search – from polishing CVs and LinkedIn profiles to networking, applications and interviews.

Visit the site [here](#)

¹ Research commissioned by the Department for Digital, Culture, Media and Sport (DCMS). Current and future demand for digital skills – a call to action – GOV.UK (www.gov.uk).

² UK Parliament figure for November 2020-January 2021.

Supporting small businesses in the digital economy

The UK's 5.9m small businesses are the beating heart of our economy, high streets and communities. Covid-19 has hit them hard and many are looking online to power their recovery. We're equipping entrepreneurs and their teams with the tech skills they need through our Skills for Tomorrow programme.

Our face-to-face training sessions have gone online this year with over 200 free webinars. We've created new learning content on topics like how to protect against cyber attacks, pivot your business online, build an e-commerce website and create a social media strategy. We invited BT colleagues, business owners and partners like Small Business Britain, Google Digital Garage and Cisco to join our webinar series and share their knowledge and experience with others.

We offered guidance and asked well-known business owners and industry experts to share their top tips for success in our popular Let's Talk About video series at bt.com/skillsfortomorrow.

By the end of March 2026, we want to reach 1m small business owners and their employees with help to improve their digital skills. This year, we launched the Small Business Support Scheme (bt.com/smallbusinesssupport), to help small businesses boost their connectivity, cash flow and confidence. We've equipped over 278,000 people in small businesses with free practical digital skills training and advice through online webinars and other resources.

Our help is hitting home, with over 90% of entrepreneurs who attend our webinars saying they will change how they run their business.

We're offering more tailored support through free one-to-one mentoring for small business owners with Digital Boost – a non-profit platform that matches mentors with businesses based on the skills and experience they can offer. BT colleagues, including senior executives, are volunteering to share their expertise on issues ranging from cyber security and social media to marketing and business strategy.

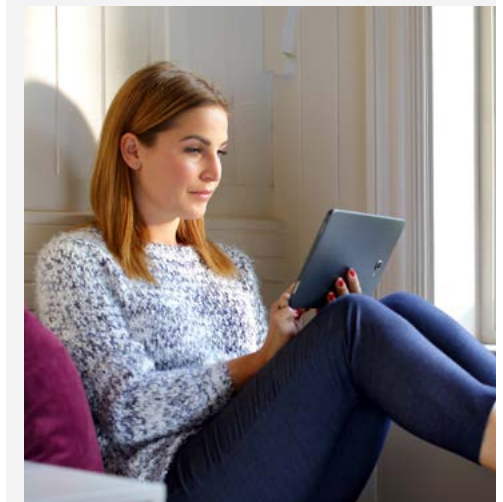
We tapped into the Great British Entrepreneurs Award network to create inspiring new webinars together on timely topics – from flying in the face of adversity to changing consumer habits post pandemic. We also supported the Small Business Saturday bus tour (see box).

During the pandemic, 58% of businesses increased their digital skills in response to the crisis and 74% believe this has enhanced their business. Confidence of surviving, or even growing, in the next year is also higher among those increasing their digital skills.

Spending surge on Small Business Saturday

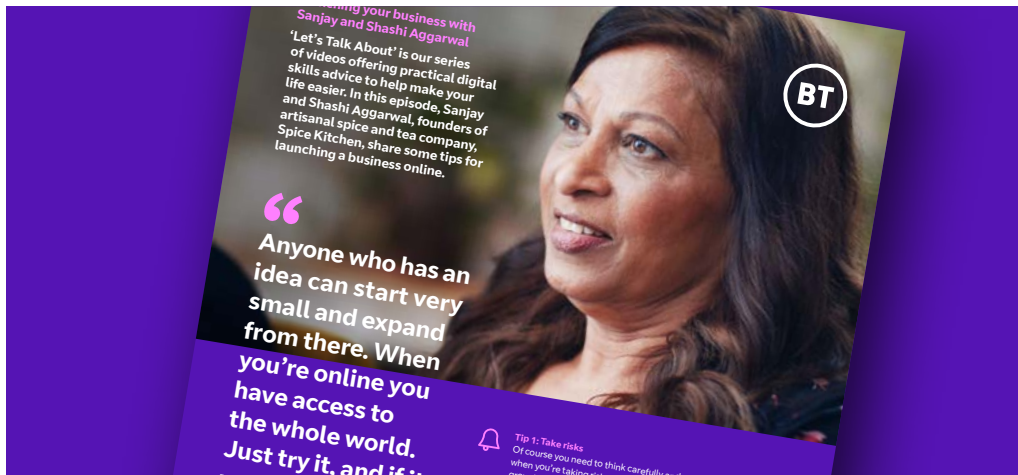
This year's annual Small Business Saturday event in December 2020 raised £1.1bn – 38% more than the year before – as the nation stepped up to help high street stores survive. Almost half of all Brits (48%) were inspired to open their wallets. The Prime Minister, Leader of the Opposition and Mayor of London all voiced their support.

We were the main supporter for the event's virtual bus tour. Over the course of the month, we organised digital skills workshops and mentoring as well as Facebook Live interviews with our business experts. The high-profile event drove millions of social media impressions.



Sherry Coutu,
Founder,
Digital Boost

At Digital Boost, we help those who work for and lead small businesses and charities to survive the Covid-19 crisis and be more competitive in the long run. BT is a key partner in our effort to help prepare the UK to build back better after the pandemic.



Boosting digital skills around the world

Our support through Skills for Tomorrow extends beyond the UK. We use our global reach to empower the next generation to make the most of life in a digital world. With our global charity partners, we're helping to educate and enable young people through tech, reaching some of the world's most marginalised groups.

Partnering with Unicef

Worldwide, Covid-19 lockdowns forced 1.5bn children out of school in 2020. We provided support for Unicef's global digital education platform (see feature), including contributions from our colleagues' fundraising last year.

We're also working with Unicef to bring robotics to life in South African primary schools, and to support youth-led community projects and digital skills training in Brazil. The pandemic has slowed progress, but further rollout of these programmes is expected in 2021.



Passport to digital learning

The Covid-19 pandemic is the biggest and most urgent global crisis children have faced since World War Two, closing schools in over 190 countries.

We helped Unicef scale up its pilot Digital Learning Passport – originally planned for child refugees – to help schoolkids in countries most in need. Launched with Microsoft and Cambridge University, the platform provides free access to e-books, learning videos, recorded lessons and resources for teachers and children, including those with learning disabilities.

So far, the curriculum is available in five countries – Jordan, Kosovo, Somalia, Timor-Leste and Ukraine. The platform already has over 300,000 users. With a further 20 countries in the pipeline, it could reach over 5m potential users by 2022.

The Learning Passport was recognised as one of the 50 Most Influential Projects of 2020 by the Project Management Institute.



David Bletso
Chief financial officer,
Unicef UK

The BT-Unicef partnership aims to empower young people in Brazil and South Africa to maximise the benefits of digital technologies for their futures. Alongside this vital work, BT has been supporting delivery of Unicef's ground-breaking new digital learning platform, the Digital Learning Passport, to thousands of children across the world whose schools have been forced to close due to Covid-19.

Supporting young people in India

India, a key international market for BT, faced one of the world's strictest lockdowns this year. This hindered progress on our programmes with non-governmental organisation (NGO) partners, which are mostly delivered in local communities and schools.

Millions without internet access in rural and semi-urban India were particularly at risk of being left behind. But new approaches enabled young people to continue to learn online using messaging groups, digital content, virtual and self-learning modules – and offline through community radio, television, and mentoring and support via mobile.



Aysha Joffey,
IT partner manager and
BT India volunteer

School TV is making learning accessible to more than 20m kids in India without internet access. I was lucky enough to play a part in this fantastic initiative, creating three short home videos on software testing basics and machine learning for kids. It's been an amazing experience personally and a brilliant way to give something back to the community.

We continue to partner with the British Asian Trust (BAT) on our ambition to use tech to improve the health, education and economic prospects of 100,000 teenage girls. We also support the BAT-led Quality Education India Development Impact Bond that aims to improve learning outcomes for primary school children in India. In its first two years, the bond has led to learning gains for over 104,800 students. The programme is achieving over three times its target for learning outcomes.

Going global with skills partnerships

We're expanding our regional partnerships with customers and communities to help more countries harness tech to support education and skills, employability and equality.

We joined the UN EQUALS Global Partnership for Gender Equality in the Digital Age, a coalition of business, government and civil society groups. We'll be supporting their digital skills work to help close the gender gap in the tech sector.

In Australia, our partnership with the government and banking sector to fund cyber security lessons in schools won an education award at the Australian Women in Security Network's Awards. We also launched the programme in Singapore to help 10 to 18 year-olds hone their cyber security skills.

We continue to work with major customers and partners, including Facebook, Microsoft and Nestlé, to equip young people with work ready skills through the Global Alliance for Youth. Its Tips from the Top podcast series, featuring our digital impact director, gained over 3.8m social media impressions across eight countries.

Over 250 colleagues volunteered their expertise to help keep children learning. Some made videos on digital and work ready skills for our partner Going to School that reached over 27.5m people on state TV or online youth channels (see quote). Others mentored young people virtually and built websites for our partners to take skills training online. We also launched a smartphone lending library with our partner ETASHA Society in rural Haryana where young people, especially girls, often don't have access to phones to enable online learning.

Partnering with charities

We've used our tech and expertise to help generate over £720m for good causes since 2012/13, including £18m this year alone. This year colleagues have donated over £2.4m through Payroll Giving to causes they care about, benefiting 1,373 charities. Over the last four years our colleagues have donated £10.8m through Payroll Giving, which we've topped up to more than £12.5m.

Supporting charities through Covid-19

This year, the Covid-19 pandemic created unprecedented need for charitable support across the UK and beyond. We used the power of tech and the passion of our volunteers to support charity partners and communities with devices, connections, vital funding and digital skills training.

As a founding patron of the National Emergencies Trust, we helped fund its operating costs so it could raise funds to help over 13,000 charities get essentials like food, shelter and mental health support to millions of people who needed it fast (see [page 7](#)). So far, the appeal has raised over £97m.

BT Sport customers donated over £1.1m to NHS Charities Together and we raised over £14,000 for the Trussell Trust to distribute food and essentials in the UK.

Colleagues across the globe volunteered for over 600 hours, and donated more than 5,000 food items and over £40,000 to stock their local food banks. Our colleagues in India raised over £50,000, including matched corporate funding, for local charities serving those most affected by lockdown.

We also donated £15,000 to support Unicef's Covax appeal which aims to deliver 2bn Covid-19 vaccines for health workers and some of the most high-risk people in low and middle-income countries.

The BT Supporters Club donated over £1m in emergency grants to provide stability to 19 charity partners in the UK and internationally. Its seven-year partnership with Comic Relief raised over £12m for Sport for Change projects in the UK and abroad, directly benefiting over 313,000 people. This partnership has now come to an end as we strengthen our focus on charity partnerships that build life-changing digital skills.

Virtual volunteering

Despite Covid-19 limitations on in-person volunteering, over 1,800 of our colleagues volunteered their time and expertise to help out this year. Some did so virtually, supporting partners like Education & Employers and TeenTech. Our colleagues' annual Gradventure fundraiser brought in over £5,800 for TeenTech's youth programme and we sponsored its 2020 digital skills award.

We also launched an FA Playmaker volunteer force to support our 4-3-3 partnership with the home nation football associations. These football-loving colleagues stand ready to help their local community clubs once it's safe to do so.

Championing responsible tech and human rights.

Ed Petter
Corporate Affairs Director
(executive sponsor,
responsible technology
and human rights)



As we move into the future, we're taking a bold and open approach to harness the opportunities and respond to the risks of emerging technologies. Getting this right matters. It will reduce risk, enable commercial growth and innovation, and help us realise our ambition of being the world's most trusted connector of people, devices and machines.

We have a strong legacy of leadership in respecting human rights across our business and supply chain. We're taking a responsible approach to tech that respects people's fundamental rights and freedoms.

Our progress

Strengthened **human rights** governance and due diligence processes

Began a citizen engagement programme to understand the role of responsible tech in future growth and innovation areas

Established new **responsible tech strategy** and principles, and tested them through our new responsible tech steering group

Mapped supply chains down to tier 4 for all BT, EE and Plusnet branded products

In this section

- | | | | |
|---------|--|---------|---|
| 20 | Respecting human rights through a responsible approach to tech | 23 | Protecting privacy and free expression |
| 22 | Sourcing with human dignity | 23 | Addressing online harms and illegal content |

Respecting human rights through a responsible approach to tech

We're committed to respecting and supporting the human rights and freedoms of all those touched by our business – our colleagues, customers, supply chain workers and wider communities. And we're thinking deeply about how we develop, use, buy and sell technology in a way that benefits people and minimises harms.

Human rights governance

We follow the UN Guiding Principles on Business and Human Rights, and we were an early signatory of the UN Global Compact. Our Human Rights Policy ([bt.com/humanrights](https://www.bt.com/humanrights)) sets out how we protect human rights within our business and through our wider relationships.

Respecting human rights is part of our ethics code ([bt.com/ethics](https://www.bt.com/ethics)) that all colleagues must complete training on every year. We provide additional guidance and support to teams most likely to face human rights risks. This year, we made training on modern slavery mandatory for all our procurement colleagues, and offered additional human rights support for key colleagues in our Asia, Middle East and Africa regions.

We've strengthened our governance of human rights following a review and recommendations from BSR ([bsr.org/en/](https://www.bsr.org/en/)).

Our chief executive has formally delegated authority for decisions about human rights risks to our corporate affairs director, who chairs our new responsible tech steering group (see next page).

We've also enhanced the integration and visibility of human rights risks within our group risk management framework.

Our updated sales due diligence process helps to identify and address the potential human rights impacts of our products and services. We look at what we're selling, who the customer is, and whether our product is likely to directly or indirectly support high-risk activities like military, security or law enforcement applications.

Based on what we find, we may decide to conduct a more detailed human rights impact assessment, sometimes with external support. In the last two years, we asked external experts to support two impact assessments related to sales to customers identified as potentially higher risk. Their recommendations informed a responsible approach to these sales that incorporates mitigation measures to address identified risks.

Open engagement on human rights

Listening to and engaging with stakeholders within and outside the business is central to our approach to human rights issues. We advocate for a collaborative approach, and partner with other companies, government and civil society.

This year, we engaged in EU policy work on mandatory human rights due diligence and artificial intelligence. We joined the Council of Europe's Partnership with Digital Companies. And we continued to support the development of best practice and smart regulation through collaborative initiatives like techUK's digital ethics working group, Digital Catapult's artificial intelligence industry working group and our regular engagement in BSR's Human Rights Working Group.

We're also part of the debate on human rights issues in the world of sport through the Centre for Sport and Human Rights.

We encourage anyone with concerns about human rights in our operations or value chain to contact our confidential Speak Up [helpline](#) or our human rights team. Colleagues can also ask a question using our internal website.

Human Rights Day 2020

Recover Better – Stand Up for Human Rights. That was the theme of the UN's annual Human Rights Day in December 2020.

We took the opportunity to share reflections with colleagues on tech and human rights issues in the context of Covid-19. We encouraged them to think about some of the key human rights issues we can affect as a business – including inclusion, equality, privacy and free expression. For example:

- Has 2020 changed the way you think about your human or digital rights?
- What are the most important human rights issues we face as a company? And as a society?
- Looking ahead, how can we help our communities recover better and stand up for human rights?

The pandemic has shone a spotlight on the vital role technology and data can play in improving people's lives. It's also brought issues like privacy and free expression to the fore, reinforcing our focus on responsible tech.

Our responsible tech strategy

Tech is rapidly transforming the way people interact with each other and the world. The use of tech, sensors and data will continue to change the world around us – the ways we live, work, travel and stay healthy.

This offers a wealth of exciting opportunities to unlock the positive role of tech. But we know people are also worried and sometimes scared about the possible consequences. Six in ten¹ Brits worry that the pace of change in technology is too fast and almost three in ten² tech workers are worried about the work they do having negative impacts.

How we use data will determine whether our customers trust us – and we know that 92% of customers are more likely to trust companies that give them control over the information they share³. That's why trust is central to our mission, and being a visible leader on responsible tech is part of our new corporate strategy.

Our responsible tech approach will support commercial growth and innovation by leveraging trust as a differentiator of existing solutions and enabling us to take a lead in future growth areas – including connected homes, smart cities, workplace automation, healthcare tech and security.

The objective of our new responsible tech strategy is to ensure that we consistently develop, use, buy and sell technology in a way that benefits people and minimises harms.

Many of the decisions our colleagues take every day raise questions that require careful thought – like balancing potential benefits of tech with privacy and fairness. The answers aren't always black and white, so we're empowering our people to make responsible decisions using four simple but important principles (see box).

Our responsible tech principles

- **For Good:** We design and deliver tech to empower people and improve their lives.
- **Accountable:** We are accountable for our actions and take care to avoid and protect against tech misuse.
- **Fair:** We work hard to ensure everyone is treated fairly and with respect.
- **Open:** We listen, collaborate and are transparent about our actions.

The principles build on our purpose, values and commitment to human rights. They draw on the UN Guiding Principles on Business and Human Rights, and learning from peers and experts.

We designed the principles to apply to all aspects of our business and value chain, regardless of the type of technology. This will help us stay flexible and respond to new innovations and issues as they come up.

We've already thought about how to apply our principles to artificial intelligence. This includes being open about how we use it and explaining how it works, taking care to prevent improper use, and promoting inclusive and fair outcomes by avoiding any built-in bias.

Creating a responsible tech culture

We're engaging with people across the business to explore what our responsible tech principles mean in practice for the way we develop, use, buy and sell technology – and to consider the potential benefits or harms that could spur from tech-related decisions. We're looking across our whole value chain – from who our suppliers might be working with through to risks and benefits of our products for consumers.

We've set up a new responsible tech steering group, which includes leaders from our customer-facing units and corporate functions, and reports to our *Executive Committee* and provides updates to our *Digital Impact & Sustainability Committee*. The group's remit is to set strategic direction, drive consistency in decision-making across the business, stay on top of emerging trends and resolve escalated issues. It has already started road-testing our responsible tech principles in the context of real use cases and ethical issues (see box).

To help us make informed decisions, we also listen to the people who could be affected by them as part of our open culture. Together with think tank Demos (demos.co.uk), we surveyed members of the UK public to help us understand their views on personal data being used to improve public health or being tracked in public spaces, their relationship with their devices, and their expectations of transparency and privacy.

The findings show that people evaluate the benefits and risks of tech and data differently, but they share concerns about the future, and hold similar views on the need to empower tech users so they can be in control of their data and understand the potential impacts of tech.

Tackling tough tech questions

Rapidly evolving technology brings with it huge potential for positive impact. But there could be negative effects and trade-offs too. How might different groups of people – and their rights – be affected? What unintended consequences might there be? And how can we make sure that tech skills, governance and standards keep up with the pace of change?

Asking these kinds of tough questions is essential to ensure we connect for good, with tech that benefits people and minimises harms. Our new responsible tech steering group helps us dig deeper into the ethical implications of applying new technologies to pressing societal challenges.

In the steering group's inaugural workshop, they focused on the use of tech such as artificial intelligence, advanced data analytics, and the Internet of Things in the areas of healthcare, home care and public health.

It also served to test and refine our new responsible tech principles (see box) in a healthcare context. Steering group members discussed potential benefits like more effective targeting of interventions for positive health outcomes. And they thought through potential concerns, including implications for people's privacy.

¹ Edelman Trust Barometer – Insights: Tech and trust.

² Doteveryone: doteveryone.org.uk/work.

³ KPMG research – Building technical trust.

Sourcing with human dignity

Our suppliers provide the products and services that keep our business running. This year, we spent around £13.1bn with more than 1,100 direct suppliers in nearly 100 countries.

Any supplier that wants to work with us has to commit to our [Sourcing With Human Dignity](#) labour standards or equivalent – as well as other standards on climate change, environment, ethics, health and safety, and product stewardship.

We use a risk-based approach to assess suppliers' performance. This starts with questionnaires to understand the level of risk when a supplier first comes on board or renews their contract with us. One of the factors that determines the level of risk is where a supplier operates. This year, we've increased the number of countries considered high risk for human rights issues to align with the Responsible Business Alliance (RBA) risk maps.

If we assess a supplier as medium or high risk, we ask for more information and follow this up with an on-site assessment if needed. If we find a supplier is having any issues with meeting our standards, we work together to try and resolve these issues. But if they don't show a commitment to improve, we'll stop working with them.

This year, we identified 51 medium and high-risk suppliers. Covid-19 lockdowns and travel restrictions meant we carried out fewer on-site assessments than usual – 33 in total – and we conducted five remote assessments via video call for high priority cases. We found issues around increased use of temporary labour and excessive working hours or overtime, likely as a result of impacts from Covid-19, and we worked with suppliers to help them improve.

Supplier assessments on social and environmental criteria

	2019/20	2020/21	
Self-assessments by new or renewed contract suppliers	340	122	
Suppliers identified as high or medium risk	95	51	
% of high or medium-risk suppliers reviewed within three months as follow-up	100%	100%	
On-site assessments (Tier 1, 2 and 3 suppliers)	Tier 1	15	14
	Tier 2	33	18
	Tier 3	5	1
	Total	53	33

Looking deeper into the supply chain

This year, we harnessed the power of artificial intelligence to map the supply chains for all BT, EE and Plusnet branded products and identify associated human rights risks, including risks of modern slavery (see box). The initial findings revealed nearly 1,800 supplier relationships across Tiers 2, 3 and 4. Some suppliers appeared over 20 times.

Membership of the RBA gives us access to in-depth assessments of shared suppliers at all levels of our supply chain.

Our updated [Human Rights Policy](#) describes how we prevent raw materials associated with the risk of funding armed conflict (known as conflict minerals) – or with other issues such as working conditions and child labour – from being used in our products. These materials include cobalt, gold, tantalum, tin and tungsten. See our Modern Slavery Statement (bt.com/modernslavery) for more on our approach and findings this year.

Supporting our suppliers

We've reached out to suppliers to help them through the Covid-19 crisis this year. We checked in with our most critical suppliers to anticipate any potential financial stress or difficulty meeting orders, and discuss contingency plans if needed.

We support the Government's Prompt Payment Code programme in the UK. In 2019, British Telecommunications plc was suspended from the Code, but has since worked to monitor and improve supplier payments, and was subsequently reinstated. This year, we paid 95% of supplier invoices in line with the terms we'd agreed with them. We also announced we'd pay our 4,500 small business suppliers within 30 days, as part of our Small Business Support Scheme (bt.com/smallbusinesssupport), whilst recent reforms to the Code require us to pay 95% of invoices from smaller suppliers in 30 days – we're on target to do this by July 2021.

This year, we've also developed a plan to collaborate with and encourage our suppliers to meet and mirror our commitment to diversity and inclusion.

Tackling modern slavery

We're calling for better use of tech and data to help combat the risks of human trafficking, forced or compulsory labour in our supply chain and beyond.

This year, the Tech Against Trafficking (techagainstrafficking.org) coalition that we're part of launched the first published global analysis of how different stakeholders, including law enforcement, civil society, businesses and academia, can take advantage of technology to advance the fight against human trafficking.

To mitigate risks in our supply chain we used machine learning techniques to improve our visibility and simplify the complexity of managing supply chain risks for all BT, EE and Plusnet branded products.

Our funding and technology helps the UK's Modern Slavery and Exploitation Helpline, run by Unseen, provide 24/7 advice and support to anyone who calls.

“Despite a seemingly impossible task, all Helpline operations were moved to remote working in April 2020, with the Helpline Team being set up to take calls and answer online enquiries and concerns from home, which we continue to do. This was only possible through the resiliency of the BT telephony and cloud-based system the Helpline utilises.”

Unseen Modern Slavery and Exploitation Helpline, Annual Assessment 2020 (unseen.uk.org)

See our Modern Slavery Statement (bt.com/modernslavery) to find out more about our approach and performance this year.

Protecting privacy and free expression

Privacy and free expression, both fundamental human rights, are closely connected. Protecting our customers' information also enables them to communicate freely.

We secure customers' data on our networks – and help them protect themselves online – as part of our strategy to create standout customer experiences (see our [Annual Report 2021](#)). And our privacy impact assessment tool helps us make sure we build privacy into the design of new products and services to protect our customers and their data.

Challenges around tech, privacy and free expression are continually evolving. We work with other tech companies and human rights organisations to respond through our involvement in the Global Network Initiative (GNI) (globalnetworkinitiative.org). We support the GNI's Principles on Freedom of Expression and Privacy and this year we presented a self-assessment of our performance against the principles to the GNI board. We identified several areas where we could improve and we're strengthening our policies, processes and governance structures in advance of an independent external assessment in the coming year.

This year, at the UK Government's request, we provided limited anonymised network data – such as general patterns in the movement of people – to help plan the public health response to the Covid-19 pandemic. The Government has subsequently begun paying for this information following a formal competitive tender. No personal data is involved and individual users can't be identified. Safeguards include scheduled reviews, additional security and measures to ensure data remains anonymised (see our website (bt.com/about/coronavirus/our-customers) for more).

Sometimes authorities can legally request access to data or communications to help tackle serious crime or protect national security. In these cases, a government overrides individuals' right to privacy to protect the security of its citizens. We're obliged by law to provide information requested under these investigatory powers, but we have processes in place to assess each request carefully. We ask for more information if we have questions about what we're being asked or want to check the legality of the request.

See the [Appendix](#) for a summary of lawful interception and data disclosure requests received in 2020 by country. Our Privacy and Free Expression Report 2019 (bt.com/privacyandfreeexpression) explains our approach to privacy and free expression in more depth.

Addressing online harms and illegal content

Recent research from Demos, funded by BT, found that there's a high level of concern among the British public about the potential for online harms. Views varied on the right balance between tackling online harms and protecting online freedoms, and how to strike that balance. But there was a clear desire for shared responsibility on this by the UK Government, online platforms and providers, and individual internet users.

In another study with the Good Things Foundation, we found that certain groups face greater risks than others and most people don't know where to find help. There's also a gap between knowledge and actual behaviours when it comes to staying safe online.

We empower people to keep themselves safe online by offering free tech tools like parental controls for our products. And we support online safety awareness and education through our Skills for Tomorrow programme and our partnership with Internet Matters (see [page 12](#)).

We also support wider efforts to keep people safe online while respecting personal freedoms. We provided input to the UK Home Office Select Committee Online Harms Inquiry and welcomed the resulting Government Online Harms White Paper response. We also welcome the forthcoming Online Safety Bill, which we expect to be a significant step forward.

The rise in misinformation circulating online is drawing increased attention to the issue of balancing freedom of expression while limiting potentially negative impacts. People have a fundamental right to express themselves, but we will block access to illegal content – including malicious traffic, intellectual property violations and images of child sexual abuse flagged by the Internet Watch Foundation. See the [Appendix](#) for data on the material and sites we've blocked in the UK this year.

We partner with the Marie Collins Foundation (mariecollinsfoundation.org.uk) to support children who have been harmed or abused online (see quote). Since 2015, its CLICK: Path to Protection programme has trained over 7,000 frontline professionals to help them provide better support for victims and their families.



Victoria Green
Director of services,
Marie Collins Foundation

We cannot emphasise enough how important the support BT has given the Marie Collins Foundation over the years has been in the development of training, resources and new partnerships. Its funding has enabled us to reduce the impact of online child abuse and harm to children and their families – not just in the UK, but internationally.

Tackling climate change and environmental challenges.

Rob Shuter
CEO, Enterprise



We're on track to hit our ambitious carbon reduction targets, and we're using our relationships and technology to inspire and enable others to accelerate the transition to a low carbon economy. Our solutions are already helping consumers, businesses and the public sector cut carbon and we're harnessing further opportunities through 5G, the Internet of Things, artificial intelligence and our new green tech innovation platform.

We've been a leader on climate and sustainability action for almost 30 years. Now we're championing a green recovery on the road to becoming a net zero carbon emissions business by 2045.

Our progress

100% renewable electricity worldwide¹, achieving our goal for 2021

£358m saved since 2009/10 through our energy efficiency management programme

57% reduction in the carbon intensity² of our operations since 2016/17, on track to achieve our 87% goal by end of March 2031

29% cut in carbon emissions across our global operations over the last year (Greenhouse gases scopes 1 and 2)

19% cut in supplier carbon emissions since 2016/17, towards our expanded reduction target of 42% by end of March 2031

Expanded our 2045 net zero target to include our supply chain as well as our operations

In this section

- 25 Advocating for a green recovery
- 26 Road to net zero
- 28 Driving supplier climate action
- 29 Helping customers cut carbon
- 30 Mitigating and adapting to climate risk
- 31 Supporting a circular economy
- 32 Managing environmental impacts

¹ 99.9% of the global electricity BT sources is renewable. The remaining 0.1% represents where markets don't allow due to non-availability of renewable electricity.
² Scope 1 and 2 greenhouse gases per unit of gross value added calculated as EBITDA adjusted (before specific items) plus employee costs.

Advocating for a green recovery

As the world looks to recover from the Covid-19 crisis, we have an opportunity to use our tech, innovation and influence to put climate action at the heart of the economic recovery. This year, we joined over 200 leading businesses in urging the UK Government to build back better by creating a fairer, more resilient and low carbon society.

Our infrastructure is powering the UK's road to net zero. We're investing in full fibre broadband and 5G networks that will pave the way for lower-carbon ways of life and work. Our products and services help consumers and businesses shrink their environmental footprint. And our new green tech innovation platform fosters breakthrough technologies to cut carbon in the public sector.

We're partnering for change with suppliers, customers, peers, government agencies and others to inspire wider climate action and solutions. This year, we championed new coalitions (see box), including the UK Electric Fleets Coalition that's driving the transition to electric vehicles (EV) (see quote).

We plan to play an active role at the COP26 UN global climate summit, which is scheduled for November 2021 in Glasgow. This year, we kept up momentum by sponsoring events like the Net Zero Festival in October 2020. Hosted by Business Green and broadcast from the BT Sport studio, the event featured policymakers and business leaders sharing their visions for a zero carbon transition.

Advocating for transformational change in 2020



We launched The UK Electric Fleets Coalition with The Climate Group to call on the Government to transition the UK to EVs by 2030



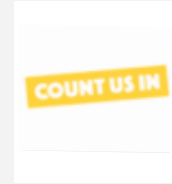
We joined Race to Zero, a global campaign to rally leadership and support to target a zero emissions world



We joined Exponential Roadmap Initiative to accelerate climate action exponentially, bringing together tech, innovation, scientists, companies and NGOs



We launched the SME Climate Hub, an initiative founded by BT and others, including the International Chamber of Commerce, to help SMEs commit to climate action



We joined the Count us in movement to get 1bn people worldwide to pledge to climate action

Helen Clarkson
CEO, The Climate Group



The UK Electric Fleets Coalition's ask for increased ambition was a significant influence on the UK Government's decision to phase out petrol and diesel vehicle sales by 2030. We would not have been able to convene this group of major corporate fleets without the leadership of BT. We look forward to using this policy-influencing force to accelerate the UK's transition to electric vehicles together.

Leading by example

We're working to become a net zero carbon emissions business by 2045 and this year we expanded this target to include our supply chain as well as our operations.

We were among the first three companies in the world to commit to a 1.5°C science-based target and many companies have now followed suit. We've already cut the carbon intensity of our operations by 57% since 2016/17 and we're on track to achieve our 87% intensity reduction target by the end of March 2031.

We continue to raise our climate ambition. This year, we increased our target to cut supply chain emissions from 29% to 42% by the end of March 2031, in line with the latest climate science to limit global warming to 1.5°C.

Our climate approach and performance made the CDP's A list again this year and we've advanced our reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (see [page 30](#)).

Robust management systems help us mitigate risks and drive down the environmental footprint of our operations. We're also committed to supporting a circular economy and cutting down on plastic.

Supporting business growth

Leading by example on climate positions us favourably with customers and investors, who are increasingly looking to companies' credentials and contributions towards a low carbon society. We're aiming to increase demand for our products and services by showing we're a communications provider that can enable others to decarbonise. Our carbon-reducing solutions are already contributing to around 25% of our revenue.

Our commitment to tackling climate change and environmental challenges can also help us attract and retain talent as more people want to work for a business that champions sustainability.

Our climate strategy

Climate change is the most material environmental issue for our stakeholders and business. Our ambition is to become a net zero carbon emissions business in our operations and supply chain by 2045.

Our climate change strategy aims to reduce our end-to-end emissions, improve the resilience of our assets and support a low carbon economy by:

- investing in energy-efficient and climate-resilient networks
- reducing our energy needs and decarbonising the energy we buy and use, including through the purchase of renewable electricity
- working with suppliers to design products and packaging that minimise energy and materials use, and support reuse and recycling, as well as encouraging them to reduce their own greenhouse gas emissions
- developing low carbon products and solutions that enable our customers to reduce their carbon footprints
- engaging our colleagues to help them reduce their personal carbon footprints
- collaborating with others to accelerate the transition to a low carbon economy.

Road to net zero

We're reinventing the way we run our business to get to net zero. We've switched to renewable electricity, we're transitioning to a low carbon fleet and we're decarbonising our buildings.

Completing the switch to renewable electricity

This year, we hit a huge milestone by completing the switch to 100% renewable electricity worldwide¹, meeting our target for 2021.

We were already at 92% renewable electricity last year and completing the switch has cut our carbon emissions for this year by a further 57,108 tonnes². That's the equivalent of taking around 36,000 combustion engine cars off the road for a year.

We got to 100% by supporting the development of local renewable electricity markets. Power purchase agreements met 12.2% of our global electricity demand this year. The rest came from local green tariffs and, in some cases, renewable certificates.



In the few markets that don't yet have local solutions (accounting for around 0.1% of our global electricity use), we'll purchase from neighbouring markets for the time being.

We consumed over 2.5 terawatts of electricity this year. Using 100% renewable electricity underpins our commitment to build back better and greener. It supports the UK's net zero carbon goal, encourages global markets towards renewable power, and sets a strong example for others.

We're engaging with members of the RE100 ([there100.org](https://www.there100.org)) campaign, our customers and suppliers to promote further uptake of renewables. As reported to CDP in 2020, 198 of our suppliers are now making use of renewable electricity (up from 181 last year).



Cyril Pourrat
Chief Procurement Officer

It is important for BT to demonstrate its commitment to a green recovery. Our team has worked hard to secure renewable electricity contracts for our sites globally, a crucial step towards the Paris Agreement's 1.5°C target.

Transitioning to a low carbon fleet

BT and Openreach together operate the UK's second largest commercial fleet. We have around 33,000 vehicles on the road (the majority of which are in Openreach), to keep homes and businesses connected. Over two-thirds of our direct emissions (GHG scope 1) come from our fleet.

We aim to transition our fleet to electric or zero emissions models by 2030, where it is the best technical and economic solution, and will pursue other ultra-low emission solutions where EVs are not viable. Openreach is aiming to switch a third of their fleet to electric or zero emissions by the middle of this decade and want to be all-electric or zero emissions by 2030. To do so, we need suitable electric vans, currently in short supply, and a reliable nationwide charging infrastructure that's not yet in place.

We're working with others to help tackle these challenges. We're a member of the EV100 ([theclimategroup.org/ev100](https://www.theclimategroup.org/ev100)) group and this year we joined forces with The Climate Group and 29 organisations to launch the UK Electric Fleets Coalition. At launch, our fleets had around half a million vehicles. The Coalition has successfully campaigned to end the sale of new conventional petrol and diesel vehicles by 2030, reflected in the recent announcement by the UK Government, with exceptions made for specific vehicles where it isn't feasible. The Government has also pledged £1.3bn to roll out charging points nationwide.

Following a trial last year, we've now secured 351 electric vans for our fleet. We've installed 122 charging points at our sites and Openreach has provided over 300 units for engineers to charge their vehicles at home.

It will take time to fully electrify our fleet. In the meantime, we're making our existing fleet more efficient. This year, we started introducing battery packs for engineers to power lifts used to fix overhead cables without running their vans' diesel engines. The packs help us cut fuel use, emissions and noise.

¹ 99.9% of the global electricity BT sources is renewable. The remaining 0.1% represents where markets don't allow due to non-availability of renewable electricity.
² GHG scopes 1 and 2.

Decarbonising our buildings

We're reducing carbon emissions and improving energy efficiency across our buildings estate of over 6,000 sites. We completed the switch to 100% renewable electricity which reduced our carbon footprint. But we're still looking for ways to reduce energy use and find alternatives for carbon-intensive heating (see box) and cooling.

This year, our global energy consumption reduced by 123 GWh¹, mainly as a result of energy efficiency measures, including the reduction of our legacy network and our investment of nearly £21m in cooling projects, but also to a lesser extent the impact of Covid-19. Overall, our investments have helped us save £358m since 2009/10.

We have an ongoing programme to install adiabatic cooling systems that use water and fresh air instead of greenhouse gases; we added a further 932 this year. We're continuing work to make our core infrastructure more efficient so we can process more data with less energy.

As part of our Better Workplace Programme, we're consolidating some of our offices and including environmental considerations in plans for new buildings, including BREEAM Excellent certification at our new buildings in Birmingham, Bristol, London and Manchester.

¹ Excludes commercial fleet and travel.

Our Doncaster contact centre goes 100% renewable

Our Doncaster contact centre had a low carbon makeover this year. Conventional chillers and gas-fired boilers are out. New electric cooling and heating is in. The building now runs on 100% renewable energy, reducing bills and carbon emissions.

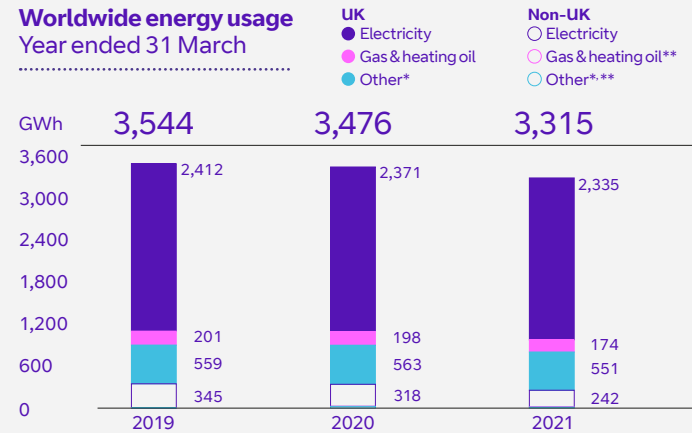
Our performance

Overall, we cut emissions from our global operations (GHG scopes 1 and 2) by 29% this year to 0.17m tonnes of CO₂e. Since 2016/17, we've reduced our carbon intensity by 57% to 13.7 tonnes of CO₂e per £m value added. We've also reduced our global energy use by 4.7% this year. See supporting [environmental data](#) for more on our performance.

-87%
2030 Intensity Target

Net Zero
2045 Absolute Target

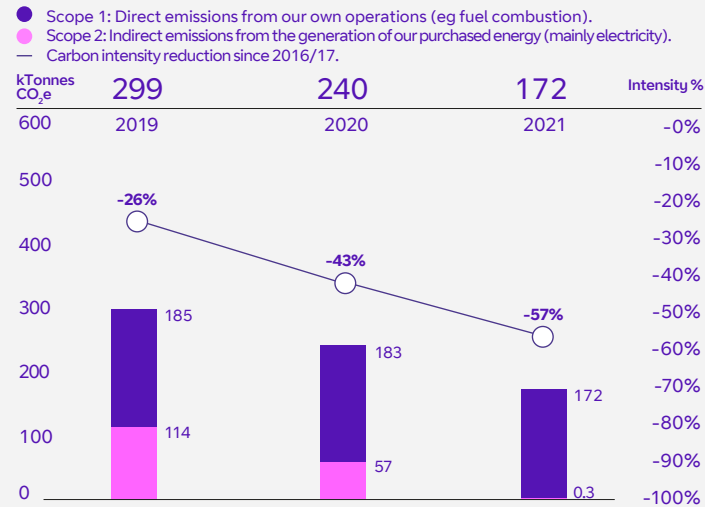
Worldwide energy usage
Year ended 31 March



* Other constitutes Gas and Oil – Generators, Commercial Fleet, Commercial Travel.
** Non-UK Gas and heating oil and other usage in GWh are as follows:

2019	2020	2021
Gas and heating oil: 3	Gas and heating oil: 2	Gas and heating oil: 2
Other: 24	Other: 24	Other: 11

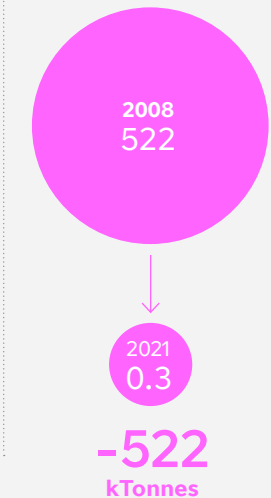
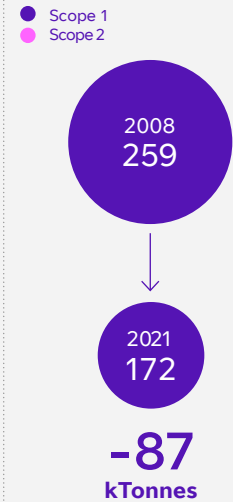
Our worldwide greenhouse gas emissions (scopes 1 and 2)
Year ended 31 March (CO₂e kTonnes)



We now include all scope 3 emissions in our reporting. See next page for details on scope 3 breakdowns. Figures exclude third-party consumption. Scope 2 data uses market-based calculations.

Scopes 1 and 2
Improvement 2008 to 2021

How the carbon footprint of our business has improved since we set our first science-based target in 2008 to today.



Driving supplier climate action

Over two-thirds of our end-to-end carbon emissions come from our supply chain. We're partnering with suppliers to curb their emissions and ours. This year, we expanded our target to reduce supply chain emissions in line with the latest 1.5°C climate science. We were originally aiming for a 29% reduction from 2016/17 by end of March 2031 and now we're going for 42% within the same timeframe.



Steve Whitford

Customer delivery manager, Fixed Networks, Nokia

In partnership with BT, we have been working to reduce supply chain emissions from the production of components that go into our network equipment. Our focus is on the components with the highest climate impact, such as printed circuit boards. Suppliers of these circuit boards have now committed to implement best-in-class energy efficiency measures and reduce their carbon impact by over 100 tonnes of CO₂ during the course of our contract with BT.

Pioneering climate contracts

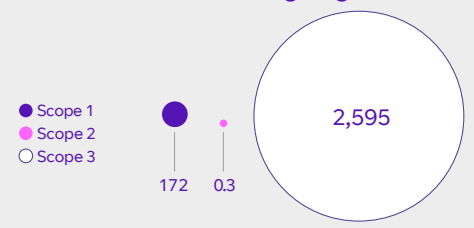
We have 12 of our key suppliers with a clause in their commercial contracts with BT or Openreach that commits them to make measurable carbon savings.

Nokia was one of the first to sign up and is working with its own suppliers to reduce the impact of high-carbon components that go into our network equipment (see quote).

Openreach suppliers MJ Quinn and KN Group have committed to significant carbon savings across their operations. Meanwhile, Telent are developing their plans for setting science-based climate targets and plan to cut emissions from supporting our network. These three suppliers alone are expected to save over 6,000 tonnes of carbon during their five-year contracts with Openreach.

This year, we offered some suppliers free energy audits of their premises and carbon-saving guidance from experts at The Carbon Trust. So far, nearly every supplier audited has taken steps to reduce their energy use. We also invited suppliers to share innovations to support a circular economy through our yearly Game Changing Challenge (see [page 32](#)).

Scope 3 (supply chain) makes up the majority of our carbon emissions; illustrated in the following diagram:



Partnering for change

We teamed up with other climate leaders to launch two major partnerships through the Exponential Roadmap Initiative this year.

The 1.5°C Supply Chain Leaders programme is designed to inspire and drive climate action across global supply chains. We're supporting its ambition to hit net zero before 2050 through our own 2045 net zero ambition.

The SME Climate Hub provides tips, tools and best practices to help small and medium-sized enterprises (SMEs) curb their emissions and gain competitive advantage by supporting a green recovery.

Setting high standards

All our suppliers must meet our requirements on climate and environmental management among other standards (groupertranet.bt.com/selling2bt). We track compliance through supplier assessments (see [page 22](#)).

We also encourage suppliers to join us in reporting climate-related data to CDP to enhance transparency and accountability. In 2020, 310 suppliers did so, up from 304 last year. Together, they make up 56% of our total spend.

Of these, 73% have set targets to cut emissions and 44% cut their scope 1 and 2 emissions this year. CDP disclosures also showed that 64% of our reporting suppliers buy renewable electricity (up from 60% last year) and 69% work with their own suppliers on climate change.

This year, we were included in the top 7% of companies assessed for supplier engagement on climate change, based on our 2020 CDP disclosure. Suppliers engaged by participating in the CDP Supply Chain programme. We also retained our position in the CDP's Supplier Engagement Leaderboard for the fifth year in a row.

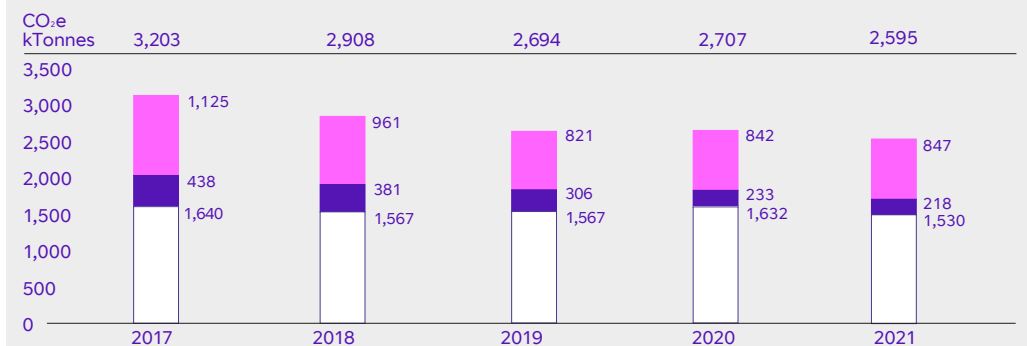
Performance

We've cut supply chain emissions to 2.6m tonnes this year – and by 19% since 2016/17 towards our 42% reduction target by the end of March 2031 (see chart).

Supply chain emissions (breakdown of scope 3 emissions)

Year ended 31 March

- Embodied emissions of network, IT and retail electrical equipment.
- Interconnect (termination of calls on other telco's networks).
- Other supply chain emissions (materials, cable, fuels and services).



Helping customers cut carbon

More and more, our products, services and infrastructure are helping homes, businesses and public sector organisations cut their energy, fuel use and emissions.

This year alone, around £5.3bn (25%) of our revenue came from carbon-cutting solutions – from teleconferencing and cloud storage to smart manufacturing and Internet of Things (IoT) technology.

And we're going further. Our ambitious plans to bring full fibre broadband to 25m premises and boost 5G mobile will support more homeworking, smart cities and next-generation carbon-reducing technologies.

Expanding technology frontiers

We're already testing new smart and remote technology solutions with a range of customers.

Telemedicine offers big benefits for patients, medical staff and the climate. Remote consultations save time and emissions from travel – and help to avoid contact during Covid-19. We're testing solutions with University Hospitals Birmingham, the UK's biggest NHS Trust. This year, doctors trialled our remote diagnostic station technology using digital stethoscopes and heart monitors over a converged 4G/5G and wi-fi network. The Trust is now considering the technology for GP surgeries, care homes and community clinics.

Our new green tech innovation platform will offer breakthrough solutions for the NHS, local councils and other public sector customers (see box).

IoT is one of the most promising next-generation technologies. It enables customers to get real-time information from machines and objects like sensors to help them make their operations more efficient. Engineers at our IoT centre of excellence are inventing solutions for sectors like logistics, housing and transport. Climate is not the only focus. We're also supporting air quality monitoring (see [page 33](#)).

Challenging consumers to try living smarter

We see enormous untapped potential for our customers to use tech to save energy, money and carbon at home. Research by the environmental charity Hubbub found that two-thirds of UK households do not use any smart tech to help manage their homes. And four in ten (43%) think it would be expensive¹.

To bust this myth, we launched a pioneering experiment with Hubbub to show how smart tech and savings can go hand in hand. We asked c.60 households – including 30 of our colleagues and their families, the majority of the others are BT customers – to experiment with digital technology. 55 took part, and the aim was to see which gadgets work best for them to reduce their energy use and bills from heating, hot water and lighting.

Each household received a £50 voucher to spend on products like smart thermostats, lights or plugs. And we also offered tips and practical support. We'll share the results to encourage more of our consumer customers to give smart home tech a try.

¹ Data from poll of 3,000 people conducted by Censurwide.

Powering breakthrough carbon-cutting technology for the public sector

The UK aims to be a net zero emissions economy by 2050 and the public sector has a big role to play. Hundreds of local councils and NHS Trusts already use our services. We're looking for new ways to support their journey to net zero through our green tech innovation platform.

We've teamed up with Silicon Valley's Plug and Play to find businesses with breakthrough carbon-reducing solutions. Plug and Play is a platform that connects entrepreneurs, companies and investors to promote innovation worldwide. Together, we'll help them scale up to drive progress towards a green economy.

In January 2021, we announced our first two scale-up partners: Glasgow-based iOpt and Paris-based Everimpact.

iOpt uses sensors connected by the Internet of Things to provide remote, real-time information and alerts on things like energy use and moisture levels in buildings. Their technology can help councils take steps to improve energy efficiency, cut maintenance costs and eliminate damp or mould. This in turn makes homes healthier and helps to prevent fuel poverty by reducing energy costs for tenants.

Everimpact uses a combination of on-the-ground sensors, satellite data and artificial intelligence to monitor air quality and carbon emissions. The results, transmitted via a smart city dashboard, enable local councils to target measures effectively to reduce air pollution and climate impacts.

We'll help both businesses grow and expand positive impacts by offering their services to interested customers. For iOpt, we'll provide network connectivity and manage the sensor installations. Everimpact will install their tech in our Street Hub units, payphone kiosks and CCTV sites to provide insights for local councils.

Using our reach to commercialise emerging green tech is a win-win for our company, our customers and the environment. We'll welcome more innovation partners soon, including those with solutions for the health sector. The Carbon Trust will help us measure the carbon savings from each partnership.



Seena Amedi

Managing director,
Plug and Play Tech Center

Plug and Play are proud to work with BT alongside some of Europe's most promising high growth tech companies, searching for innovative solutions and business models to support the transition to net zero. We look forward to working together to explore, test and scale technologies from the world's brightest start-ups that can propel us into a more sustainable society.

Measuring how we help customers cut carbon

Last year, we achieved our 3:1 target a year early by helping customers save three times as much carbon as our own end-to-end emissions.

To track progress against this goal, we've previously calculated and reported the emissions our customers save from using products and services that we've identified as carbon-reducing. Last year, this totalled around 13m tonnes of CO₂ emissions avoided, compared with our own end-to-end emissions of 3.7m tonnes.

The way people live and organisations work online has changed significantly over the last few years – and even more so during the pandemic. We have commissioned research that will provide information on the role some of our solutions can have in a net zero emissions world.

13m tonnes
of CO₂ emissions
avoided in 2019/20

3:1
goal met one year early

£5.3bn
of our revenue came from
carbon-cutting solutions
this year

Mitigating and adapting to climate risk

The impacts of climate change are worsening. We're working hard to reduce our emissions and prevent further global warming. But we also need to adapt to the reality of a changing climate.

We've explored the risks and opportunities to our business across a range of future climate scenarios and we report these in line with TCFD recommendations (see box). Making sure we're prepared for the effects of more extreme weather is essential to avoid disruption to our networks and our customers.

Climate-related financial disclosures

We're committed to fully implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This is our second TCFD disclosure.

This year, we conducted a climate governance review based on the World Economic Forum's Principles for effective climate governance on corporate boards. We also continued our climate change scenario analysis work to understand the potential financial impacts of climate change to BT in 2030 and 2050.

➔ Read our TCFD disclosure in our [Annual Report and Appendix](#).

Understanding physical risks

Our strategic weather resilience programme aims to futureproof our UK estate by monitoring and mitigating risks from extreme weather events like heatwaves, storms and heavy rainfall. This year, we considered our vulnerability to heat, flooding and lightning strikes as part of our TCFD scenario planning.

We share details on potential threats to our UK assets through daily risk reports and we've launched an online dashboard to keep relevant parts of the business informed. Alert warnings enable our teams to protect vital equipment and prepare for potential outages. During the summer heatwave in 2020, we pinpointed over 700 rooms at risk of overheating to enable targeted mitigation measures. This year we have continued to invest in cooling system upgrades designed to prevent damage to our network sites, including a further £21m in adiabatic systems. We're also trialling improvements to our flood risk alert service at 5,000 of our assets.

Our telecoms networks are critical to the UK's national infrastructure. We are working with the Environment Agency to better understand where our network sites across England may benefit from its National Flood Risk Capital Programme activities. We're also working with Waterscan, our wholesale water partner for England, to develop an asset risk register from utility water sources, another essential national service.

Fortifying our operations

We focus climate adaptation measures on high priority assets that serve larger volumes of customers. This year, we continued flood protection works and cooling systems upgrades at key sites. And following a successful trial last year, we're using drones to inspect roofs and gutters for signs of deterioration where needed.

Rapid emergency response

Extreme weather is on the rise. This year saw a summer heatwave, floods and several significant storms across the UK.

When the weather threatens our colleagues, property or services, we deploy emergency response teams and resources to help protect those most at risk. Pumps, flood barriers and other emergency equipment are ready and waiting at our network of flood hubs across the country.

This year, our emergency response teams responded to over 30 incidents related to severe weather events. We train them on a wide range of scenarios, from accessing flooded sites by boat to setting up temporary satellite communications. We ran more frequent but smaller scale training exercises this year in line with Covid-19 guidance.

We also work with others to enhance national emergency response measures through the Electronic Communications Resilience and Response Group that we chair. This year, we focused on keeping vital communications infrastructure running throughout the Covid-19 pandemic.

Flash flooding, fast response

When summer flash flooding threatened an exchange in Edinburgh, our local emergency response team was quick to mobilise. Colleagues deployed pumps, a generator and an emergency communications centre to manage the immediate impact and get our network back up and running.

Since then, we've conducted surveys of underground drains and identified specific building improvements – at this site and at others in similar situations – to reduce the risk of flooding causing problems in the future.



Supporting a circular economy

We support the transition to a circular economy to reduce waste and preserve valuable natural resources. We're targeting zero waste to landfill, encouraging customers to return equipment for reuse and recycling, and cutting down on plastics.

Eliminating waste to landfill

Our internal waste management policy promotes a culture of continuous improvement as we work towards zero waste to landfill. We're now developing a waste action plan to translate that policy into practical measures to help us get there.

We produced nearly 33,000 tonnes of waste worldwide this year, 19% less than last year. This reduction is mainly as a result of less office and catering waste, as many of our colleagues worked from home due to Covid-19, and our divestments. We recovered or recycled 98.9% of this waste – 99.6% in the UK – and we're continually looking for ways to recycle more; for example, Openreach is exploring ways to recycle blue plastic rope, which is used to draw cables through ducts.

We use specialist contractors to deal with hazardous waste responsibly. This year, we introduced an app to help our engineers identify hazardous waste and simplify regulatory reporting.

Through our partnership with N2S, a technology lifecycle management company, we recovered 257.5 tonnes of legacy equipment and cable from our exchanges this year, avoiding landfill. From this, 257.3 tonnes was recycled and 0.2 tonnes reused, avoiding an estimated 414 tonnes of CO₂e emissions. We also used N2S's newly developed refining process which uses bacterial bioleaching technology to recover gold from printed circuit boards.

Encouraging customers to return electronics for reuse and recycling

Electronic waste is the world's fastest growing domestic waste stream. We aim to minimise the amount of materials used in our products and make them easy to return, reuse or recycle.

We encourage and incentivise customers to return products for recycling or refurbishment. EE offers a [Trade In](#) scheme, and BT customers must return home hubs and set-top boxes at the end of their contract to avoid incurring a fee. In 2020, we refurbished or recycled around 700,000 home hubs and set-top boxes, and worked with The Carbon Trust to calculate the environmental benefit (see case study).

To help customers get the most out of their devices, we now offer a same-day or next-day repair service at selected EE stores, and we've also launched a wireless diagnostic tool [Fix My Device](#) to identify and resolve issues with mobile devices or software.

Router returns reap environmental benefits

We want to show customers the difference they can make by returning unwanted equipment to motivate them to return more. We've been working with The Carbon Trust to calculate the environmental benefit of product returns. In 2020, refurbishment of home hubs and set-top boxes avoided 11,400 tonnes of CO₂e, 168 tonnes of waste electronic equipment and 160 tonnes of plastic.



Getting drastic on plastic

Our [plastics policy](#) includes our goal to ensure that 100% of the plastic packaging we procure and send to customers can be reused, recycled or composted by the end of March 2025. It also commits us to recycling more of the plastics we use in our own operations.

This year we have been working to baseline our plastics footprint. In 2020 we used 547 tonnes of plastic packaging to deliver products to our customers. We identified areas of plastic use where data is not currently available – we will refine our model as more data becomes available over time.

A further 113 tonnes of plastic was avoided through engaging suppliers, engineers and operations teams in plastic reduction initiatives.

We've developed packaging principles for BT and EE consumer devices in line with our environment policy. These include moving to plastic-free packaging. Alternatives include cardboard packaging printed with soy-based inks and compostable bags made from materials like potato starch.

Our suppliers play a big role in the amount and type of plastic used in our products, packaging and operations. To help guide our procurement choices, we ask suppliers about their use of single-use plastics in a questionnaire related to our [environmental impact standard](#).

We also ask colleagues to help us cut down on the amount of single-use plastics we use, particularly in areas such as catering. We'll promote this further as more colleagues return to the workplace.

Game Changing Challenge

Our Game Changing Challenge invites suppliers to come up with innovative solutions to environmental questions. This year, we focused on the circular economy – asking for innovation on anything from plastic-free packaging to new business models or radical product redesign. This year's winner was Thales, who proposed an eco SIM card made from 100% recycled plastics which is both highly sustainable, being made from recycled plastic, and delivers a 30% reduction in the SIM card carbon footprint. This meets a number of BT's key sustainability objectives around the circular economy, reduction in single-use plastics and carbon footprint reduction.



Emmanuel Unguran
Senior vice president of mobile connectivity solutions at Thales

The Game Changing Challenge process run by BT perfectly fitted Thales' responsible approach and its determined action in terms of sustainable development and eco-designed solutions. We were delighted to take part and collaborate with BT and honoured that BT chose our eco-SIM card as its 2020 winner. This innovation, less plastic, even for something as small as a SIM card, is a plus for the planet and responds to strong demand from consumers for products with a controlled carbon footprint.

Managing environmental impacts

We aim to lead by example in the way we manage environmental risks and minimise our impacts. We can make the biggest difference by tackling climate change and supporting a circular economy. But we also pay close attention to our impacts on air pollution, biodiversity and water use.

Our Group-wide [policy](#) and environmental management systems (EMS) guide our approach to risks and impacts, support continual improvements and help us comply with relevant regulations.

Our EMS in Belgium, France, Germany, Ireland, Italy, the Netherlands, Spain and the UK are certified to ISO 14001:2015¹. The EMS in Spain is also certified to the EU Eco-Management and Audit Scheme. Our energy management systems in Germany and the UK are certified to ISO 50001. We publish UK certifications on our [website](#).

We include environmental and sustainability considerations in our plans for new buildings as part of our Better Workplace Programme. Examples include providing electrical charging stations and recycling points, or using district heating. We're also working towards BREEAM Excellent certification for our new buildings in Birmingham, Bristol, London and Manchester.

¹ Brazil and Colombia were certified until October 2020, when these operations were divested.

We also encourage colleagues to help us manage environmental impacts by changing their behaviour. This could be cutting use of single-use plastics, recycling more or collaborating virtually to avoid unnecessary business travel – a trend that has increased as a result of Covid-19.

BT Sport reduces production impacts

BT Sport uses remote broadcasting to limit the number of people sent to outside broadcasts and reduce related environmental impacts. Our football Premier League 12:30hr kick-off games have achieved the albert certification for sustainable production, which recognises actions taken to reduce production carbon footprints – and we're working towards certification for our other programming. BT Sport's directorate membership of the albert initiative helps fund sustainability training and resources for the film and television industry.

Managing environmental risk

Our environmental management and governance group (EMGG) oversees our approach to environmental risk management. It's chaired by our chief technology officer and made up of senior leaders from across the business. The EMGG reports regularly to our *Executive Committee* and receives quarterly updates from our environmental management compliance steering group.

Climate change poses the most significant environmental risk to our business and we align our reporting with TCFD recommendations (see [page 30](#)). We also monitor and manage a range of other operational environmental risks through our EMS, including the potential for leaks of fuel or fluorinated greenhouse gases.

Tackling air pollution

Maintaining good air quality is vital to the health of our colleagues, customers and communities. We're transitioning to electric vehicles that help cut carbon emissions and reduce pollutants from combustion engines (see [page 26](#)).

We've also continued working with our customers to use IoT solutions to improve air quality and wider environmental management. Our sensors are helping local authorities in Suffolk to monitor air pollution and target action to improve air quality and reduce flood risk. We're partnering with Belfast Harbour on a 5G project to make the harbour estate more sustainable, including placing air quality sensors around the harbour to monitor nitrogen dioxide and particulate matter. And we're redesigning our next-generation payphones, or Street Hubs, to include air quality monitoring capabilities.

Our green tech innovation platform (see [page 29](#)) partners are also tackling air pollution. iOpt's smart buildings IoT platform enables real-time information on issues such as damp and mould that can affect internal air quality, while Everimpact's street-level environmental monitoring systems include air quality as well as CO₂ sensors.

Minimising water use

Our water use decreased by 25% this year to 1.4m m³. This reduction is, in part, due to lesser demand, as colleagues worked from home due to Covid-19, alongside our work to reduce leakages across our operational sites.

Switching to Water Self-Supply ([waterselfsupply.com](#)) enables BT to achieve complete control over water consumption and cost by dealing directly with wholesalers, ensures accuracy in billing, and gives BT the opportunity to engage in the market. Making this switch had saved us over £0.6m and contributed to over 473,000 m³ reduction in consumption this year, through price and water savings.

And we're partnering with the University of Stirling on a state-of-the-art system to monitor water quality and flood risks across the Forth Valley.

473,000m³
water saving this year

£0.6m saved
through moving to
Water Self-Supply

Nurturing biodiversity

Supporting a healthy natural environment is essential to prevent biodiversity loss, a significant global issue with strong links to climate change, water use and pandemics. We use our EMS to help us manage biodiversity impacts and we monitor wildlife-related incidents or risks at our sites.

Our internal natural environment policy captures our long-term vision to enhance biodiversity across all our sites. This year, the pair of peregrine falcons at our Adastral Park site bred successfully again. And we began planting trees at our Henbury exchange to support Bristol City Council's target to double tree canopy coverage.

Managing fuel storage risks

We use diesel generators to keep our customers connected in remote locations and as back up during power cuts. To fuel these generators, we have more than 6,500 fuel storage tanks across the UK. We monitor, maintain and upgrade these tanks, and train colleagues and suppliers, to minimise risk of spills or leaks.

If there's a spill, we use specialist contractors to make sure it's cleaned up carefully. We report any major leaks to the regulator, but no incidents at BT sites have been subject to investigation or legal proceedings from any of the UK regulators for several years.

Ensuring environmental compliance

We always aim to comply with relevant environmental legislation for our operations and products. This includes making sure our products and any electrical or electronic equipment sold to our UK business comply with regulations on waste electrical equipment, hazardous substances, chemicals and packaging.

If any issues occur, we work with the relevant authorities to resolve them.

We aim to meet our commitments under the Environmental Protection Act 1990 and the Clean Neighbourhoods and Environment Act 2005. In one case this year, we failed to react in a timely manner and received a community protection notice, relating to complaints about unkempt grounds at one of our telephone exchanges. We've liaised with the respective council to address the issue and comply with the notice served.

This year has seen an increase in littering and fly tipping across the UK. We received a number of complaints about littering at our roadside cabinets and we've worked with our engineers and contractors to reinforce the need to remove all waste created by their activities.

Being transparent and accountable.

Simon Lowth
Chief Financial Officer



Our investors have always expected transparent communication about our financial performance. We're also seeing this expectation growing in relation to our environmental, social and governance aspects, and we welcome this shift. Transparent reporting is a crucial factor in understanding business success, and we're committed to leading the way by openly sharing our progress and challenges with all our stakeholders.

Investors, customers and governments are increasingly looking to the environmental, social and governance (ESG) credentials of businesses to inform their choices. We're meeting the challenge through our increased focus on transparent reporting and strong governance. Listening to all of our stakeholders keeps us focused on what matters and accountable for our actions.

External recognition

CDP

We kept our place in the A list (top 3% of 9,500 global reporters) and the Supplier Engagement Leaderboard (top 7% for supplier engagement on climate change)

Clean200

Listed as a company that's leading the way with solutions for the transition to a clean energy future, for the second year

Corporate Knights Global 100

Most sustainable telecoms company in the world and 35th most sustainable company overall

EcoAct

2nd in the UK FTSE 100 and 4th globally

EcoVadis

Gold rating for the 8th year in a row

FTSE4Good

Confirmed member of the Russell FTSE4Good index

ISS-ESG

Prime rating for ESG

MSCI

AA rating for ESG investment risk and opportunities

Sustainalytics

Top quartile of global telecoms companies and low ESG risk score

Tortoise Responsibility 100

2nd in the UK FTSE 100 and best telecoms company

Vigeo Eiris

Top quartile amongst European telcos

In this section

- 35 Engaging with stakeholders
- 36 Identifying our priorities
- 37 Governing digital impact and sustainability
- 38 Acting with integrity
- 39 Disclosing policies and performance

Engaging with stakeholders

By engaging closely with stakeholders, we are better able to understand their evolving expectations, inform our strategy, and share our plans and progress.

Our [Annual Report](#) outlines how we engage with each stakeholder group, what they expect of us and the outcomes of this engagement. We're seeing increased interest across the board in our ESG activities and performance.

Dialogue is a natural part of how we support our customers and work with colleagues. We reach out for specific feedback through customer surveys and our Your Say colleague survey (see box).

We meet regularly with investors and analysts, and this year held a briefing for them specifically on our digital impact and sustainability strategy (see box).

We also have regular interactions with government, regulators and our suppliers. Our focus on bridging the digital divide to tackle economic inequality, addressing online harms, and tackling climate change, supports the UK government's ambitions (see [page 6](#)). And we've played an essential role in getting the nation through the Covid-19 crisis (see [page 7](#)). With the introduction of new social value criteria for public procurement, this also means we're well placed to win government work. Working closely with our suppliers, we're better able to manage risks and identify opportunities to positively contribute in areas such as climate change.

Partnerships with NGOs play a central role in our programmes, such as SFT ([page 10](#)). We also participate in wider debates and partnerships to seek a broader perspective on global issues, and to contribute our influence, expertise and experience to drive positive sustainable change. Examples, mentioned throughout this report, include futuredotnow (see [page 10](#)), Tech Against Trafficking (see [page 22](#)) and with The Climate Group, on the UK Electric Fleet Coalition (see [page 25](#)).

For deeper dives on specific topics, we work with partners to find out what our stakeholders think. For example, this year we worked with Demos to survey members of the public about their views on responsible tech and online harms (see [page 23](#)). We also conducted surveys to understand public perspectives on topics related to building better digital lives, particularly in the context of the Covid-19 pandemic.

Listening to our colleagues

We ask colleagues for their views on what it's like to work at BT through our Your Say survey. In January 2021, around 85% of our colleagues responded to the survey (the same response rate as last year).

Engagement remains strong at 80% (up from 79% last year). Understandably, in a turbulent year we saw overall wellbeing (satisfaction with life) decline slightly to 69% (from 71% last year). However, 83% feel positive about the way BT has supported them through the pandemic and 80% feel BT is a place where they can thrive.

We're using the results to help us learn and improve.

Engaging investors on ESG

In November 2020, we hosted a virtual business briefing for investors and analysts, focusing on the three pillars of our DI&S strategy and sharing our efforts to help more vulnerable customers and support our workforce.

The event was led by our chairman, Consumer CEO, HR director, corporate affairs director and director of digital impact & sustainability. Two non-executive Board directors, including the chair of the *Digital Impact & Sustainability Committee*, also contributed.

Around 50 people attended, including several key investors. The recording of the event has since had over 250 views and the slide presentation has been downloaded more than 350 times. This briefing is part of our ongoing programme to engage with investors and analysts on our ESG objectives and performance.

Digital Impact & Sustainability business briefing

4 November 2020

Businesses are at different stages of sustainability leadership

- 1 Focus on philanthropy and mitigating risk
- 2 Enhance and build reputation
- 3 Integration into strategy and business objectives
- 4 Drive major impact through catalytic partnerships

BT

6 Digital Impact & Sustainability business briefing

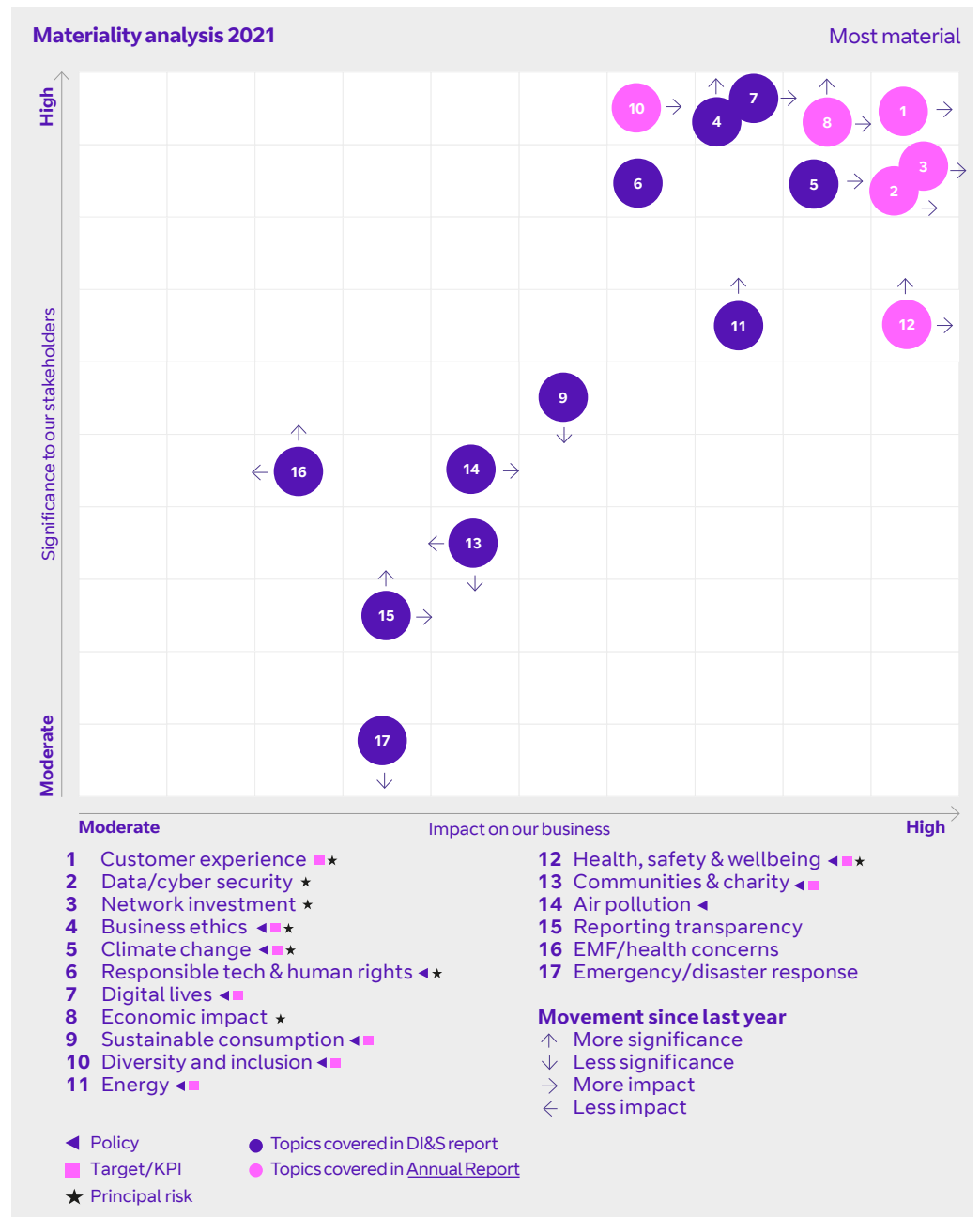
Identifying our priorities

Each year, we refresh our assessment of the sustainability issues that are most material to our business and our stakeholders. We assure our approach against AccountAbility's internationally recognised AA1000ASv3 accounting standard.

We gathered qualitative and quantitative data for this assessment throughout the year. Sources include social media listening, interviews with senior BT colleagues who represent key stakeholder groups and participate in wider industry collaborations, as well as a range of surveys, reports and studies.

We look at which issues matter most to each of our key stakeholder groups, comprising of our colleagues, customers, investors, suppliers, government and regulatory bodies. We also consider the impact of each issue on our business based on potential risks and opportunities. We use the results to inform our strategy and reporting for the year ahead.

Our analysis this year showed that our most material issues remain broadly consistent with those reported last year. Customer experience, data/cyber security, network investment, and diversity and inclusion (see [Annual Report 2021](#) for more details on these topics) remain priorities for our stakeholders, together with topics related to the three key pillars of our DI&S strategy – digital lives, responsible tech and human rights, and climate change. The Covid-19 pandemic has seen both economic impact and health, safety and wellbeing rise in significance for stakeholders and the business. Stakeholder interest in business ethics has also increased.



Governing digital impact and sustainability

Strong governance structures help us put our DI&S strategy into action.

Our Board-level *Digital Impact & Sustainability Committee* (DISC) oversees the strategy and tracks progress towards our ambitions. The DISC is made up of independent non-executive directors and the chairman. Leena Nair, the chair of the DISC, reports to the Board on the committee's activities. The HR director, corporate affairs director, and director of digital impact & sustainability also attend all meetings as invitees. The company secretary or her appointed delegate attends and acts as secretary to the committee.

DISC meeting attendance

Members (as at 31 March 2021)	Meetings	
	Eligible to attend	Attended
Leena Nair (chair)	4	4
Jan du Plessis	4	4
Isabel Hudson	4	4
Mike Inglis	4	4
Sara Weller ¹	3	2

¹ Joined the committee on 16 July 2020. Sara did not attend one meeting due to a previous commitment which was declared prior to her joining the Board.

The DISC met four times this year (see table of attendance). All meetings were held virtually in light of Covid-19 restrictions. The committee reviewed and discussed:

- progress on our Skills for Tomorrow programme
- the introduction of our responsible tech strategy and principles
- progress on our climate strategy, carbon reduction commitments, climate risks and opportunities, our efforts to address the TCFD recommendations, and programmes and activities in place to manage risk within our supply chain
- our approach to understanding stakeholders' priorities and identifying our material issues, and how this is reflected in strategy, external disclosures and stakeholder engagement.

Accountability

We believe that single-point accountability supports good governance. Our chief executive Philip Jansen takes strategic decisions, exercising delegated authority from the Board. Our *Executive Committee* (ExCo) assists the chief executive to:

- develop group strategy and budget for Board approval
- execute the strategy once the Board approves it
- give assurance to the Board on overall performance and how we're managing risks.

Additionally, the ExCo creates and communicates our vision, and sets the tone for our organisation, culture and colleagues. The director of digital impact & sustainability met with the ExCo during the year to discuss our approach to responsible tech as a key element of our DI&S strategy. Decisions about human rights and stakeholder risks are now delegated by our chief executive to our corporate affairs director.

In April 2020, we integrated sustainability into everyday business decisions by adding DI&S goals relating to our digital skills ambition and carbon emissions reduction into our suite of group KPIs. Performance on these goals forms part of our reward approach for all eligible colleagues, contributing 10% of the overall bonus (see our [Annual Report](#)).

For more information on governance, see our [Annual Report](#) or our [website](#).

Managing risk

We take a consistent approach to addressing the risks and uncertainties affecting our business. This year, we designed and launched a new risk management framework to support our journey to be the world's most trusted connector of people, devices and machines. The framework strengthens our foundations and helps leaders make the right choices by supporting a risk-smart culture. See our [Annual Report](#) for more information, including how ESG risks in areas such as climate change and human rights are picked up under the risk framework.

We are committed to fully implementing the TCFD recommendations on climate-related financial disclosures – this is our second disclosure. They are an important step towards enabling a net zero carbon economy and for managing the future impacts of climate change on our business.

See our report [Appendix](#) for our TCFD disclosure, which is also published in our [Annual Report](#) alongside the risk section.

Acting with integrity

We ask anyone working for, with or on behalf of BT to share our purpose and values – and make the right decisions every day.

Setting clear expectations

Our ethics code – The BT Way (bt.com/ethics) – guides how we do things. We require all colleagues to complete annual training on the code and 97.4%¹ did so this year.

We don't tolerate any form of bribery or corruption, and colleagues must report any conflicts of interest. Our [anti-bribery and corruption standard](#) and annual ethics training reinforce these messages. Colleagues working in higher risk environments or roles go through extra training on anti-corruption every other year – 23,738 colleagues completed this during the year.

This year, we added new courses for colleagues in contact centres and retail stores, and for Openreach engineers. They take people through a range of scenarios that they might face in their everyday work and ask them to consider "Is it OK?"

We're developing a new course for executives based on the risks they're most likely to face. And we're preparing our managers for specific training courses by asking them questions on key themes. This year, we asked over 26,500 managers to respond to challenging questions about reporting homophobia, more than 4,500 about conflicts of interest and nearly 21,000 about registering gifts.

We ask colleagues how we're doing on ethical issues through our annual Your Say survey. This year, 93% agreed that we do business ethically (the same as last year), 86% agreed they felt able to speak up (the same as last year) and 84% agreed they felt comfortable raising risks in BT (compared with 85% last year).

86%
of our colleagues agreed they felt able to speak up

93%
agreed that we do business ethically

Doing the right thing, right now

Our global ethics day this year focused on how to behave ethically and comply with our ethics code throughout the challenges of the Covid-19 pandemic. The theme was how to do the right thing, right now. Topics included using social media and calling out wrongdoing in a virtual environment.



Acting on improper behaviour

We want to make sure that anyone with an ethical concern feels comfortable and safe to raise it with us.

Colleagues can report issues or ask questions through our Tell Us intranet page. Our independently run [Speak Up](#) helpline is there for colleagues, contractors, agency workers and suppliers anywhere in the world. Anyone can use the helpline to report concerns confidentially and, where local laws allow, anonymously.

We've added more detail to our Speak Up guidance this year. It now includes types of concerns people can raise and explains how we get to the root cause of any issues. We review every concern raised and investigate further whenever we're given enough detail to do so. Follow-up actions can include coaching or training, disciplinary procedures, or improvements to our policies or practices.

People raised 491 concerns this year, 17% less than last year. The number of reports fell during the first UK lockdown, but rose again later in the year. The Covid-19 pandemic caused a delay to some investigations that needed site visits.

We took further action on 35% of the cases we closed. The rest were unsubstantiated, duplications, follow-ups to existing cases, or redirected to more appropriate reporting channels. This year, we disciplined 178 colleagues as a result of ethical misconduct and 76 left BT.

Addressing compliance issues

We don't always get things right. When we get things wrong, we're committed to being open about it and learning from our mistakes.

In December 2020, Ofcom found that BT Group failed to provide information to telecommunications company eir related to Fibre on Demand on an equivalence of inputs basis, compared with BT. This related to the bidding process for a public sector fibre contract in Northern Ireland in 2018. We cooperated with and accepted Ofcom's findings, settling with them to pay a fine of £6.3m. We have already put measures in place to prevent this happening again. Ofcom recognised that these errors weren't deliberate and that we took a number of steps to comply with the regulatory obligations. Ofcom did not find any impact on the outcome of the tender process.

In July 2020, the Openreach Commitments Monitoring Office (CMO) investigated a complaint from an alternative network provider, alleging that Openreach had not responded to a request for pricing for a fibre product. The CMO found that Openreach did not provide a written pricing quotation due to a combination of process weaknesses, misunderstanding and miscommunication, and not as a result of deliberate intent. In September 2020, the Openreach Board Audit, Risk & Compliance Committee decided there had been a serious breach of the Commitments in relation to equal treatment for all customers, and agreed remedial actions which Openreach are now implementing to minimise the potential for a similar issue to arise in the future.

¹ Excludes those on maternity, paternity, long-term sick leave or with other extenuating circumstances.

Paying our taxes

We're committed to managing our tax affairs responsibly, ethically and with integrity – including paying our fair share. We believe we must contribute fairly through the tax system to the economies and societies where we operate.

We describe our approach in our [tax strategy](#). This year, we paid £229m in corporation tax and the One Hundred Group 2020 Total Tax Contribution Survey ranked us the fifth highest contributor in the UK.

Read more about our tax strategy in our [Annual Report](#).



Disclosing policies and performance

We strive to meet growing expectations for transparency on sustainability topics.

This report describes our approach and performance on the key pillars of our DI&S strategy. More information on these and other material topics is available in the other reports, disclosures, indexes and policies listed below.

Reports and disclosures

- [Annual Report](#)
- [Digital Impact and Sustainability Report Appendix](#)
- [Gender Pay Gap Report](#)
- [Modern Slavery Statement \(including conflict minerals reporting\)](#)
- [Privacy and Free Expression Report](#)
- [Tax strategy](#)
- [Colleague data sheet](#)
- [Environmental data sheet](#)

Additionally, in early summer 2021 we plan to publish our Diversity and Inclusion Report, which will include our first voluntary reporting of our ethnicity pay gap.

Frameworks and standards

We report in line with a range of recognised external frameworks and standards:

- Global Reporting Initiative: Core option
- UN Global Goals
- ISO 26000 standard
- Climate Disclosure Standards Board framework
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- UN Global Compact

Relevant disclosures are referenced in our DI&S Report [Appendix](#).

Policies

Our ethics code – The BT Way – guides how we do things at BT. Accompanying policies and standards (bt.com/ourpolicies) cover topics such as:

- anti-bribery and corruption
- gifts and hospitality
- human rights
- health, safety and wellbeing
- environment
- plastics
- privacy
- shared value
- vulnerability

We also extend our [expectations](#) through policies and standards for suppliers.

Independent assurance

Our digital impact and sustainability reporting is independently assured to AccountAbility's AA1000ASv3 accounting standard. Read the independent assurance statement for this report.

[Read more in our Appendix.](#)



© **BT Group plc**

Registered office:

BT Centre, 81 Newgate Street, London EC1A 7AJ

Registered in England and Wales No. 4190816

Produced by BT Group plc

bt.com